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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1988

STATE OF COLORADO
ROY ROMER, GOVERNOR

DEPARTMENT OF ADMINISTRATION
FORREST CASON, EXECUTIVE DIRECTOR
JAMES A. STROUP, STATE CONTROLLER

STATE OF COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1988

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INTRODUCTORY SECTION

STATE OF COLORADO

DIVISION OF ACCOUNTS & CONTROL
Department of Administration
1525 Sherman Street, Room 706
Denver, Colorado 80203
Phone: (303) 866-3283

Roy Romer
Governor

Forrest Cason
Executive Director

James A. Stroup
State Controller

January 25, 1989

The Honorable Roy Romer
Governor
State of Colorado

Dear Governor Romer

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) on the operations of the State of Colorado for the fiscal year ended June 30, 1988. This report was prepared by, and is the responsibility of, the Division of Accounts & Control, and submitted herein pursuant to Colorado Revised Statutes 24-30-204.

We believe the financial statements are fairly stated in all material aspects; that they are presented in a manner designed to fairly set forth the financial position, results of operations, and changes in fund balances of the various fund types; and that all disclosures necessary to enable the members of the General Assembly, the public, and the financial community to gain a full understanding of the State's financial affairs have been included.

The financial statements contained in the CAFR were prepared in conformity with generally acceptable accounting principles applicable to government as prescribed by the Governmental Accounting Standards Board and are audited by the State Auditor of Colorado.

In addition to the General Purpose Financial Statements (GPFS), the CAFR includes: combining financial statements, presenting information by fund; supporting schedules; certain narrative information describing individual funds; and statistical tables and charts presenting financial, economic, and demographic data about the State. The GAFR was also prepared in conformance with standards of the Government Finance Officers Association of the United States and Canada.

The Governmental Accounting Standards Board, in its codification of governmental accounting and financial reporting standards, has established criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. These criteria are:

1. Selection of governing authority;
2. Designation of management;
3. Ability to significantly influence operations;
4. Accountability for fiscal matters; and
5. Scope of public service and special financing relationships.

The State includes within its reporting entity all departments, agencies, commissions, boards, and all State funded institutions of higher education. Excluded from the entity are the college and university foundations and public authorities for which the State assumes no day to day management control, obligation, moral or legal, for their debts, nor reserves for itself any entitlement to their surplus assets.

The following entities were examined and found to be separately constituted quasi-governmental units or foundations directed by independent boards, authorities, or commissions which are financially independent of the State:

Agricultural Development Authority
College and University Foundations
Health Facilities Authority
Housing Finance Authority
Post-Secondary Educational Facilities Authority
Public Employee's Retirement Association
State Compensation Insurance Authority
Student Obligation Bond Authority
Water Resources and Power Development Authority

Additional information about the above entities is presented in the footnotes to the GPFS in this report. In addition, audited financial reports are available from each of the above entities.

ECONOMIC CONDITION AND OUTLOOK

The year 1987 was a record for the U.S. economy. The real gross national product (GNP) increased 3.4 percent and set a record for length of peacetime expansions. In the first two quarters of 1988 consumer spending shook off the effects of the October 19, 1987 stock market crash and rose at an annual real rate of 3.0 percent. The continued strength of the U.S. economy in the import/export sectors and national defense, although starting to mitigate, continues the strong trend toward a bicoastal economy where California and the east coast benefit the greatest from these developments. In addition, the midwest has benefited from a declining U.S. dollar which has made America a low cost producer again.

The year 1987 was not as good a year, economically, for Colorado as for the U.S. as a whole. The number of jobs decreased 0.6 percent even as the population rose by 0.9 percent. Mining, construction, and manufacturing were the hardest hit for the second year in a row. Personal income in Colorado for 1987 rose to 133.6 percent of the 1982 level, however, this was below the rise to 139.2 percent that the U.S. experienced as a whole.

Real short-term interest rates remain historically high and should continue so throughout 1988 and most of 1989 as the U.S. remains

dependent on foreign purchases of its debt. This is attributable to a plummeting national savings rate combined with an increase in federal borrowing:

	Percent of GNP In Real Terms	
	1970-79	1988
Nonfederal Savings	8.9%	5.7%
Less Federal Deficit	1.7	2.9
Net National Savings	7.2%	2.8%

An increase in the saving rate is a key to a higher rate of economic growth and a higher national standard of living. When we look beyond short-term cyclical fluctuations to consider experience over periods of a decade or longer, the evidence is strong that countries with high rates of saving and investment are the ones in which productivity, income, and the standard of living rise most rapidly.

Consumer debt has risen from 12 percent of personal income in the early 1980s to 16 percent in 1988, clearly establishing another record. High debt loads coupled with low savings act as a drag on the economy. However, the GNP rose in 1988 at 3.5 percent rate while predictions for 1989 GNP growth are placed between 2.5 and 3.0 percent real rate of growth if foreign financing remains available.

Although a small part of the Colorado economy, agriculture will have the strongest growth in income for 1988. Prices for agricultural commodities have climbed steadily because of the drought which had little effect on Colorado. The Colorado Department of Agriculture anticipates a 15% rise in Colorado farm income in 1988. This comes however, after several poor years for agriculture. Defense spending remains strong in the State and manufacturing employment has begun to increase. Vacancy rates for office space have begun to drop but still remain among the highest in the country.

Construction in Colorado should return to the $3.8 billion level last experienced in 1986 but construction employment will remain at relatively low levels not seen since 1978. Mining employment continue the downward slide begun in 1981 as employment in this sector drop 2.3 percent in 1988 and will likely drop another 4.3 percent in 1989.

The Colorado outlook for the next few years is a continuation of the current trends, that is: steady population growth equal to the U.S. rate of 0.9 percent per year; stronger agricultural and tourist sectors; construction to be helped by government investment in a new Denver convention center and airport, new state prisons, highways, and other infrastructure projects; a stronger natural gas industry but weak performance by the other extractive industries; and increased investment in trade-related industries.

MAJOR GOVERNMENTAL INITIATIVES

For Fiscal Year 1988 the State changed its tax structure to reduce the potential windfall from the Federal Tax Reform Act of 1986. Basically the State followed the federal lead in personal deductions and set its income tax rate at a flat 5 percent of taxable income. Previously the rates had stair-stepped from 0 to 8 percent in 2 percent increments. Individual and corporate income taxes were $1,308 million in 1988 compared to $1,219 million in 1987.

During FY 1988 the General Assembly approved the addition of a number of construction projects for correctional facilities. These include additions to the Shadow Mountain Correctional Facility in Fremont County, a medium security prison of 500 beds near Limon, and a 336 bed diagnostic correctional facility in Denver.

The State also took a large step toward the acquisition of a new accounting system with completion of a state-wide needs assessment and the letting of a request for proposals. The State hopes to have completed installation of the new system by 1990. In addition, the State has begun consolidation of its computer resources by consolidating the computer operations of the Department of Labor and Employment and the Department of Revenue with the General Government Computer Center in the Department of Administration.

BUDGETARY CONTROLS AND ACCOUNTING SYSTEMS

The annual budget of the State for ongoing programs, with the exception of Federal funds, is enacted by the General Assembly through the Long Appropriations Act. New programs are funded for the first time in the enabling legislation and continued through the Long Bill in future periods. For the most part, appropriations lapse at the end of the fiscal year unless the State Controller approves an appropriation roll-forward necessitated by extenuating circumstances. Capital construction appropriations last three years.

The budget is recorded in the Central Accounting System along with Federal awards to the various departments. Encumbrances are also recorded and result in a reduction of the remaining budget authority. Encumbrances represent the estimated amount of expenditures that will be incurred when outstanding purchase orders are filled or contracts or other commitments are fulfilled. Open encumbrances are not reported as a reservation of fund balance unless related appropriations are approved for roll-forward to the subsequent fiscal year.

The State's financial records for governmental type funds are accounted for on a modified accrual basis with the revenues being recorded when available and measurable, while expenditures are recorded when goods or services are received and the liability is

incurred. Accounting records for proprietary and fiduciary type funds are maintained on the full accrual basis. That is, revenues are recorded when earned and expenses, including depreciation, is recorded when incurred.

In developing the State's accounting system, consideration has been given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe that the State's internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

FINANCIAL OVERVIEW

The current combined balance sheet for the State lists total assets of $1,815 million and total liabilities of $402 million. Under current accounting principles this difference of $1,413 million is the financial equity that the citizens of Colorado have in their state government. One must recognize that current accounting principles do not include the recording of infrastructure on the State's books. Thus the recorded equity is exclusive of such assets as highways and bridges.

A comparison of fiscal year 1988 with the changes from 1987 State revenues and expenditures (expressed in millions) follows. However, the combining of all fund information into summary form, as presented below, is not generally accepted practice, but is presented here for managements information.

Source	1988 Amount	Percent Total	Percent Change	1987 Amount
Taxes	$2,778	50.0%	4.2%	$2,667
Federal Grants & Contracts	1,295	23.3	3.5	1,251
Charges for Goods & Svcs.	508	9.1	6.9	475
Other Sources	719	12.9	19.6	601
Interest & Rents	106	1.9	(12.4)	121
Lic., Permits, & Fines	154	2.8	5.5	146
Total Revenues	**$5,560**	**100.0%**	**5.7%**	**$5,261**

Expenditure	1988 Amount	Percent Total	Percent Change	1987 Amount
Intergovernmental	$1,547	28.8%	5.8%	$1,462
Education and Higher Education	1,376	25.6	9.9	1,252
Social Assistance	848	15.8	3.3	821
Transportation	400	7.5	(1.5)	406
Business, Community & Consumer Affairs	130	2.4	11.1	117
Justice	264	4.9	10.5	239
General Government	291	5.4	(4.9)	306
Health & Rehabilitation	245	4.6	5.2	233
Capital Outlay	164	3.1	0.6	163
Natural Resources	70	1.3	4.5	67
Debt Service	32	0.6	18.5	27
Total Expenditures	**$5,367**	**100.0%**	**5.4%**	**$5,093**

The total State revenue increase of $299 million or 5.7% over FY 1987 represents a flat revenue growth rate when inflation and population changes are taken into account.

Total State expenditures increased $274 million or 5.4%. The largest component, Intergovernmental expenditures represents distributions to local governments and school districts. If the State aid for primary and secondary education of $1,010 million were moved from Intergovernmental to Education and Higher Education category then this second category would total $2,386 million or 44.5% of the total State expenditures.

GENERAL FUND ACTIVITIES

The General Fund is the focal point of any determination of the financial position of the State of Colorado. This fund accounts for all revenues and expenditures that are not required by law to be accounted for elsewhere. Statute limits the increase in total state general fund expenditures from year to year to 7%. This restriction is imposed through the budget process by the General Assembly and is based on revenue estimates made prior to the start of the fiscal year.

The following table shows the General Fund unrestricted fund balance (expressed in millions) at year end with the change over the prior year:

At June 30	Required Fund Balance	Actual Unrestricted Fund Balance	Change From Prior Year
1988	$126.5	$100.3	$55.1
1987	100.6	45.1	40.7
1986	97.7	4.4	(11.3)
1985	92.4	15.7	(0.3)
1984	86.2	16.0	16.0
1983	76.6	0.0	0.0

Statute requires that 6% of the General Fund appropriation for FY 1988 be retained as the unrestricted fund balance. Revenue shortfalls have resulted in the State not reaching that goal in any of the last several years.

During FY 1988 a restriction on General Fund expenditures was imposed due to further revenue shortfalls but was later lifted. The actual revenues for FY 1988 were $2,284 million which was 1.5% or $34 million less than the original estimate.

PROPRIETARY OPERATIONS

Proprietary funds are accounted for using the full accrual basis of accounting as would a private business. Their operations have many of the attributes of a business in that their revenue relates to the provision of goods or services to the State or to the general public. Capital investments of these operations are recorded within the fund and depreciation is accrued using the same methods that private enterprise would use.

Total fund equity for the proprietary funds at June 30, 1988 was $145.1 million, a reduction of $60.5 million resulting primarily from the privitization of State Compensation Insurance Authority and their exclusion from these statements. Operating revenues for the proprietary operations were $198 million for FY 1988 while operating expenses were $161 million. Of the operating income $35 million was transferred out of the Lottery, with $17.5 million going to the General Fund and $17.5 million to the Capital Construction Fund.

DEBT ADMINISTRATION

The State of Colorado is prohibited by its Constitution from incurring any general obligation debt. Many higher education institutions, the Guaranteed Student Loan Program, and the Trinidad State Nursing Home have issued bonds and notes with revenues pledged from specific user

payments to retire these bonds and notes. Additional information is provided in the footnotes to the GPFS.

On July 1, 1987, the Treasurer of Colorado issued $110 million of Revenue Anticipation Notes bearing an interest rate of 4.4% for the purpose of providing working capital to the State during the year. These notes were repaid in full on June 27, 1988. The State enjoys a high credit rating of MIG 1 with Moodys rating service and SNP 1+ with Standard & Poors.

CASH MANAGEMENT

Statutes permit the State Treasurer to invest cash not needed immediately to pay obligations of the State. These investments may consists of obligations of the United States, commercial paper of prime quality, reverse repurchase agreements, or bank acceptance agreements. At June 30, 1988 the State had $764.0 million invested as follows:

Investment Type	Days Maturity	Percent
United States Treasury and Agencies	1-720	57.3%
Commercial Paper	1-108	11.1
Certificates of Deposit	7-720	18.2
Repurchase Agreements	1-86	1.3
Bankers' Acceptances	14-136	9.0
Corporate Notes and Mortgages	1-720	3.1
		100.0%

RISK MANAGEMENT

The State, its officials, and its employees are self-insured for general and automobile liability. The Risk Management Fund is an internal service fund for claims adjustment, investigation, defense, and authorization for the settlement and payment of claims or judgments against the State. The fund is specifically empowered to provide complete self-insurance coverage. There is no excess catastrophic liability policy coverage in force through any private insurance carrier. The State relies on the Colorado Governmental Immunity Act which limits the State's liabilities to $150,000 per person and $400,000 per occurrence of any wrongful acts. Estimates for unpaid losses are recorded as liabilities of this fund. At June 30, 1988 the fund had assets of $3.2 million and recorded liabilities of $1.1 million.

INDEPENDENT AUDIT

The audit of the General Purpose Financial Statements was performed by the State Auditor as required by statute. The opinion of the Auditor is on page 1 of this report preceding the financial statements. In addition to an audit of the state-wide statements, the Auditor will from time to time audit the statements and operations of various departments and institutions within state government.

In 1984, the U.S. Congress passed the Single Audit Act which places a greater responsibility on the State and the Auditor to insure that Federal monies, whether expended by the State or granted to subrecipients, is properly accounted for. Under the requirements of this act transactions of major federal programs are tested and an opinion is given upon internal control of these programs.

ACKNOWLEDGEMENTS

In conclusion, I wish to thank my staff and the staffs of the various State departments and institutions whose time and dedication have made this report possible, and at the same time to reaffirm to you and the citizens of Colorado the commitment that we have to maintain the highest standards of accountability in our financial reporting.

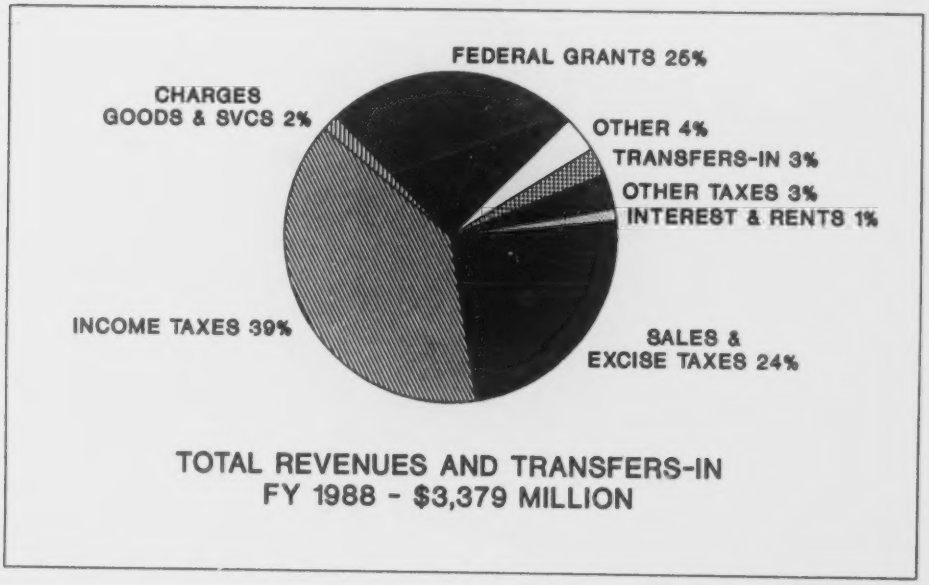
Sincerely yours,

James A. Stroup

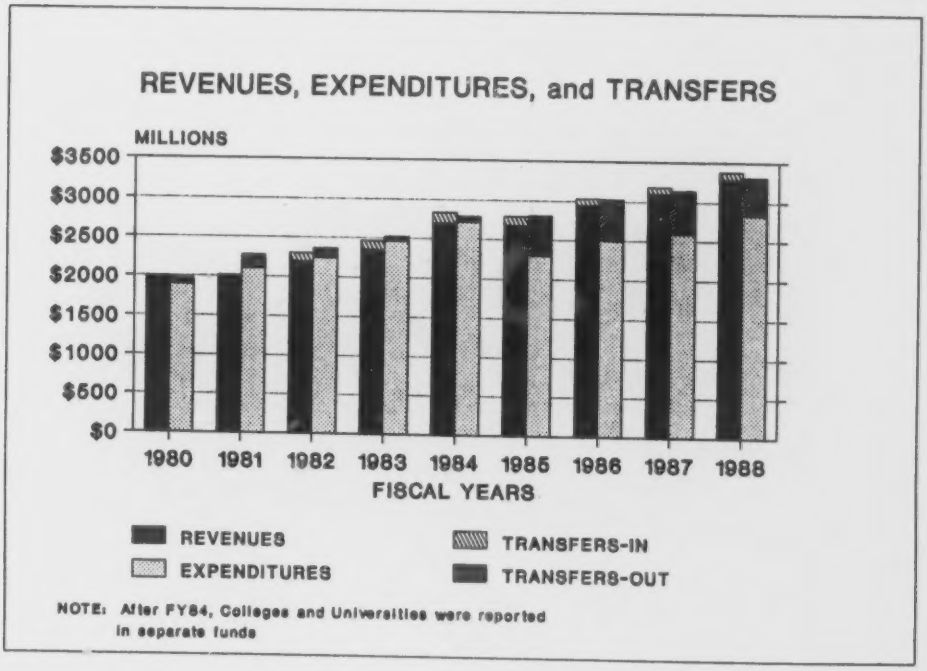
James A. Stroup
State Controller

GRAPHICAL PRESENTATION

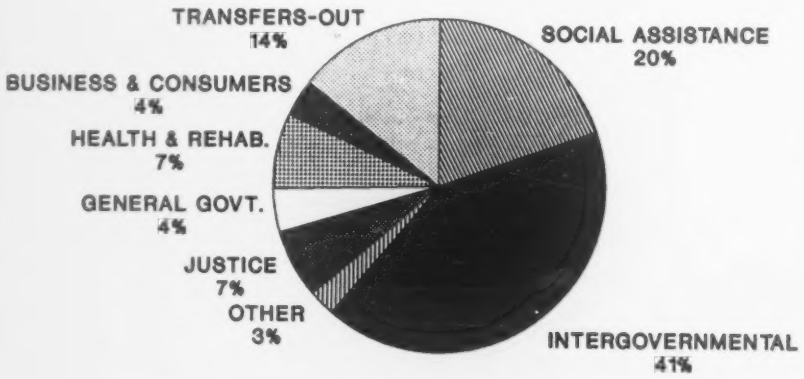
STATE OF COLORADO
GENERAL FUND



TOTAL REVENUES AND TRANSFERS-IN
FY 1988 - $3,379 MILLION

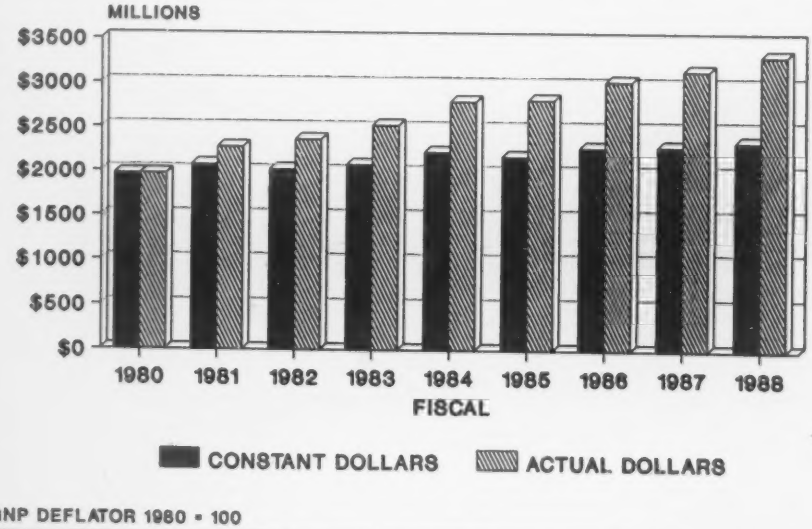


STATE OF COLORADO
GENERAL FUND



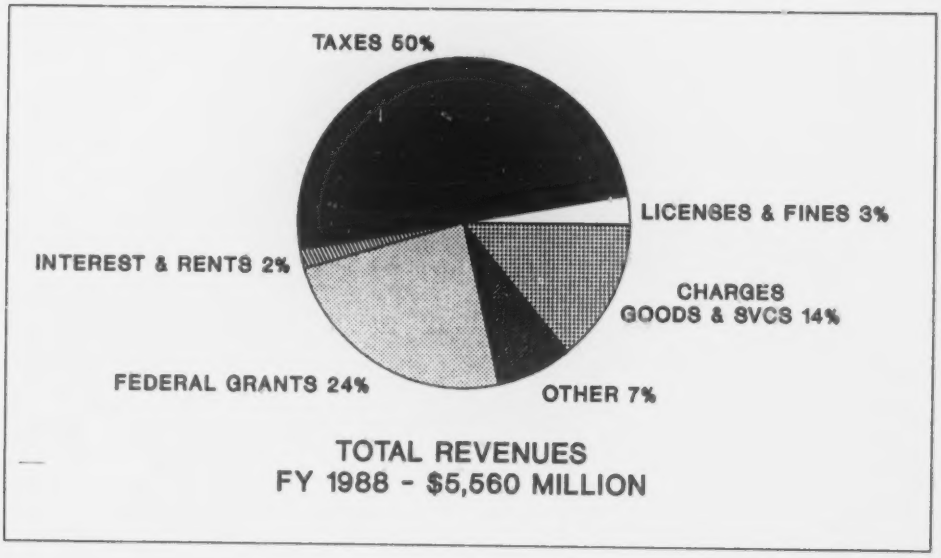
TOTAL EXPENDITURES AND TRANSFERS-OUT
FY 1988 - $3,313 MILLION

EXPENDITURES AND TRANSFERS-OUT
CONSTANT AND ACTUAL DOLLARS

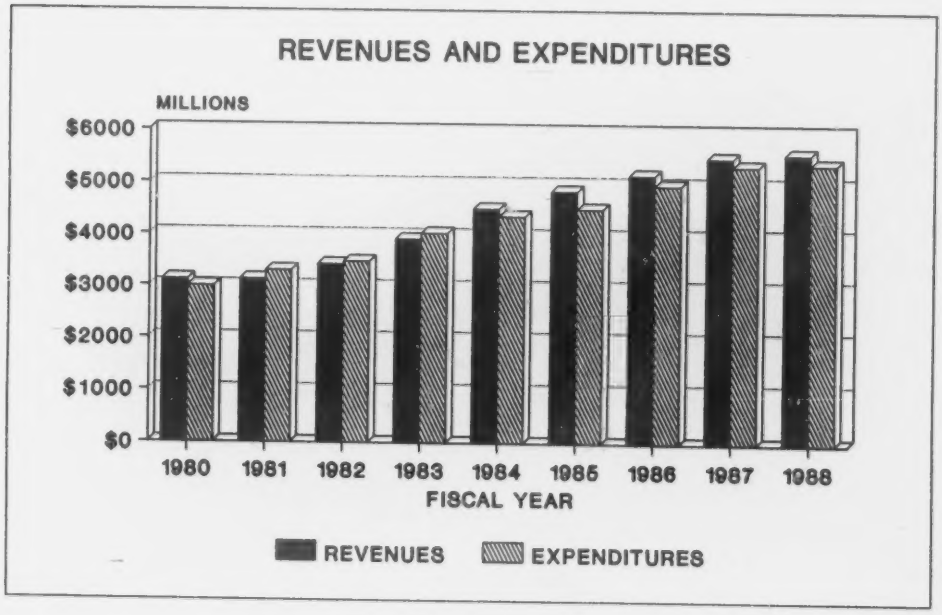


GNP DEFLATOR 1980 = 100

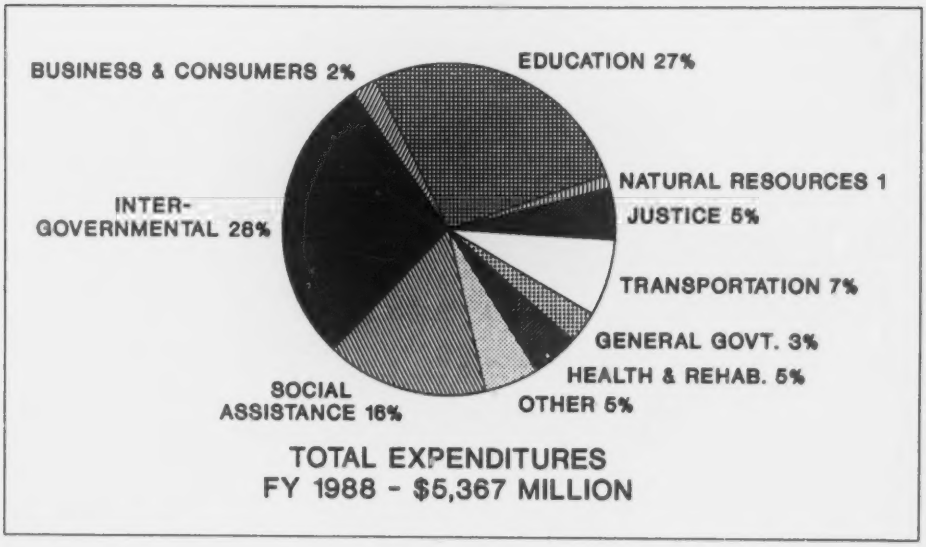
STATE OF COLORADO
ALL FUNDS



TOTAL REVENUES
FY 1988 - $5,560 MILLION

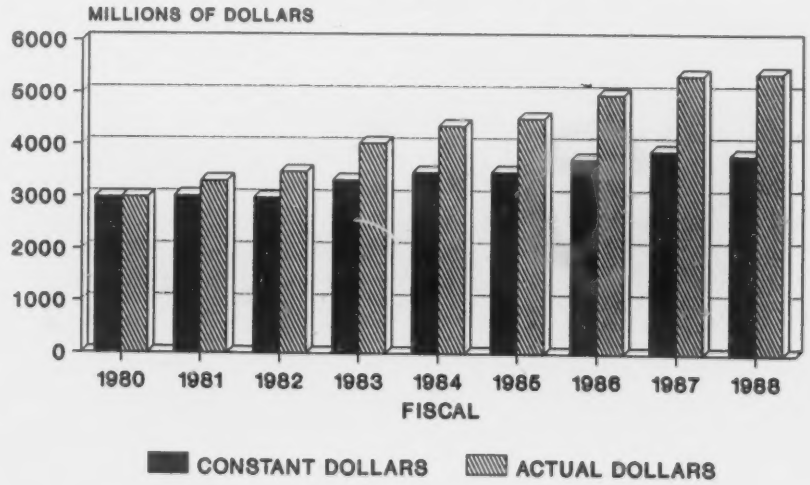


STATE OF COLORADO
ALL FUNDS



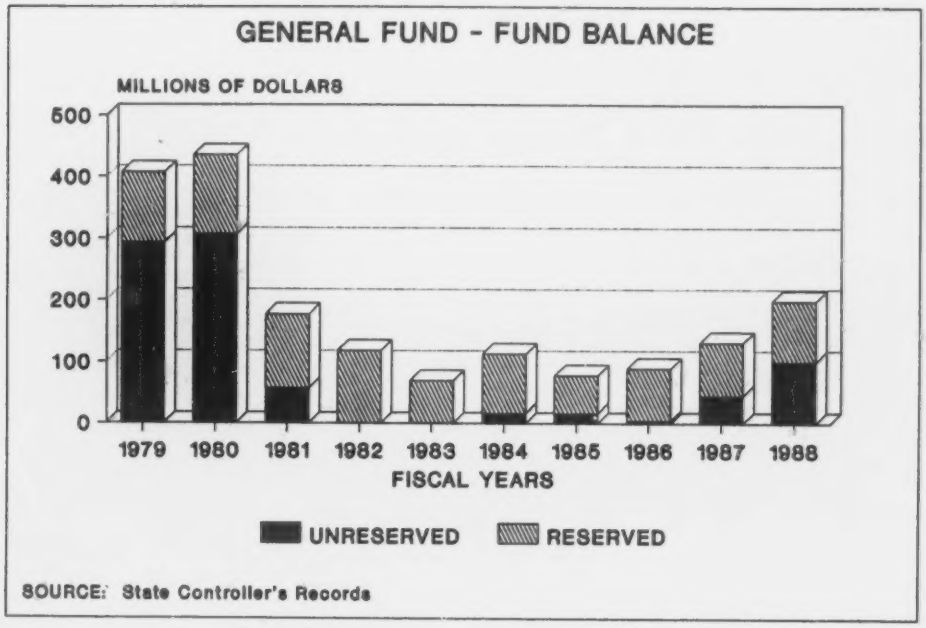
TOTAL EXPENDITURES
FY 1988 - $5,367 MILLION

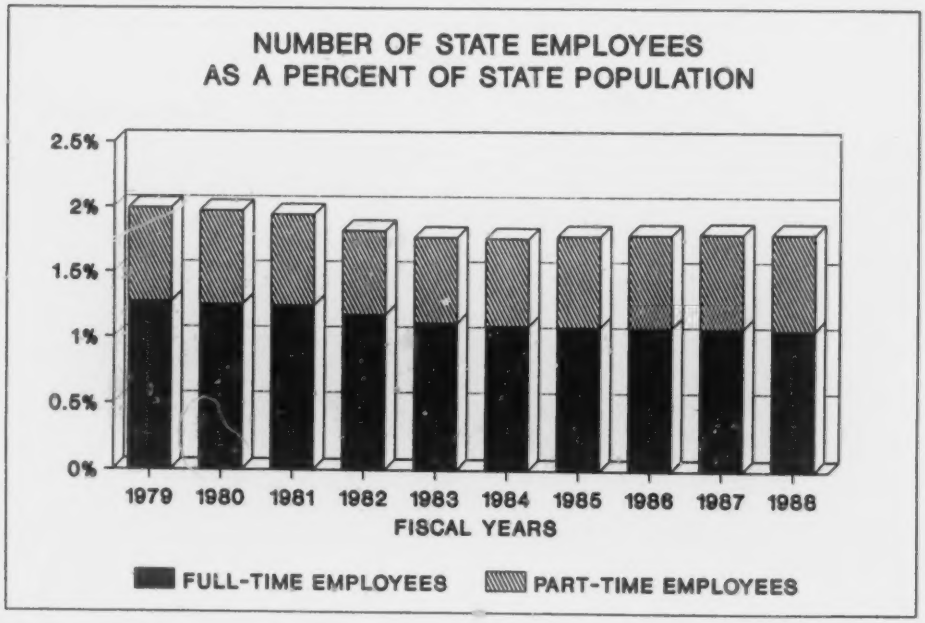
EXPENDITURES
CONSTANT AND ACTUAL DOLLARS



GNP DEFLATOR 1980 = 100

STATE OF COLORADO

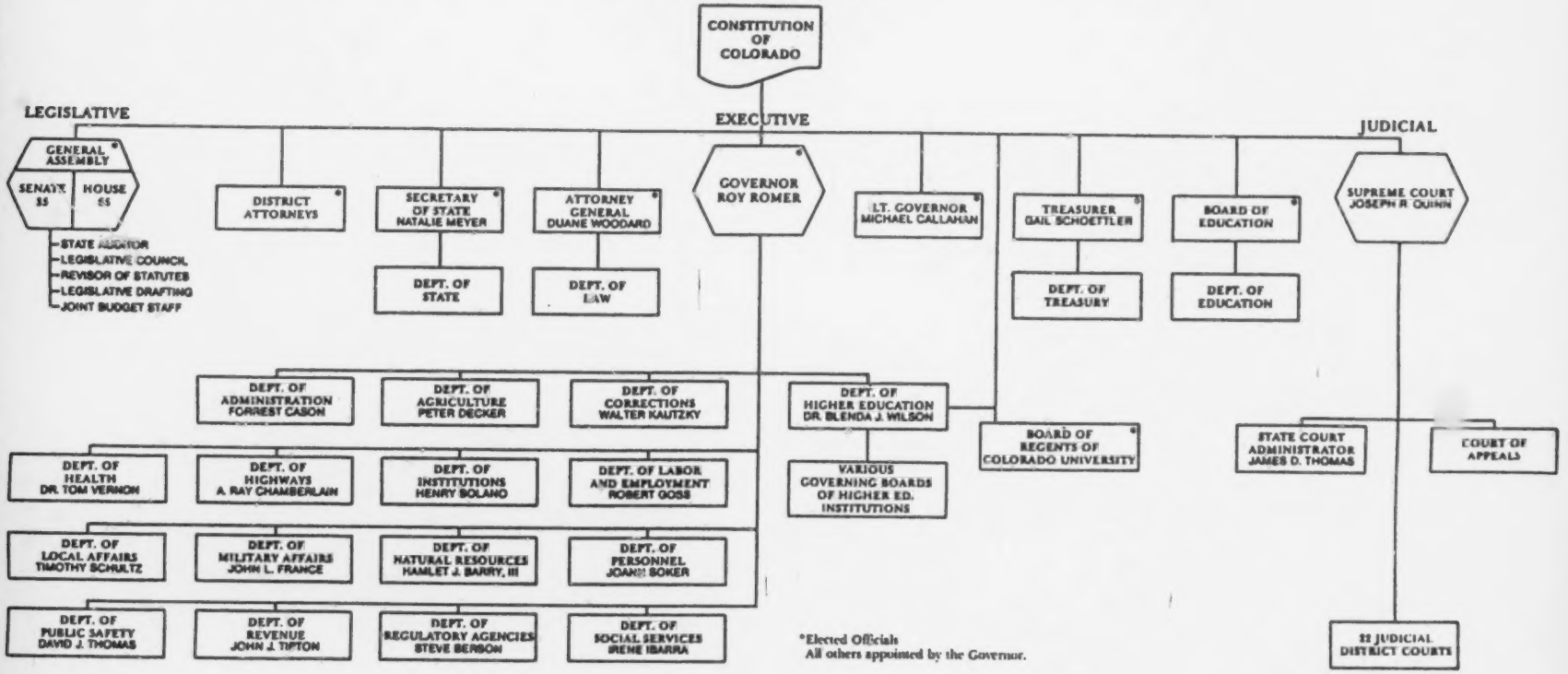




STATE OF COLORADO

PRINCIPAL ORGANIZATIONS AND KEY OFFICIALS

JUNE 30, 1988


CONSTITUTION OF COLORADO
LEGISLATIVE
EXECUTIVE
JUDICIAL
GENERAL ASSEMBLY*
SENATE 35
HOUSE 65
STATE AUDITOR
LEGISLATIVE COUNCIL
REVISOR OF STATUTES
LEGISLATIVE DRAFTING
JOINT BUDGET STAFF
DISTRICT ATTORNEYS*
SECRETARY OF STATE NATALIE MEYER*
DEPT. OF STATE
ATTORNEY GENERAL DUANE WOODARD*
DEPT. OF LAW
GOVERNOR ROY ROMER*
LT. GOVERNOR MICHAEL CALLAHAN*
TREASURER GAIL SCHOETTLER*
DEPT. OF TREASURY
BOARD OF EDUCATION*
DEPT. OF EDUCATION
SUPREME COURT JOSEPH R. QUINN
DEPT. OF ADMINISTRATION FORREST CASON
DEPT. OF AGRICULTURE PETER DECKER
DEPT. OF CORRECTIONS WALTER KAUTZKY
DEPT. OF HIGHER EDUCATION DR. BLENDA J. WILSON
VARIOUS GOVERNING BOARDS OF HIGHER ED. INSTITUTIONS
BOARD OF REGENTS OF COLORADO UNIVERSITY*
DEPT. OF HEALTH DR. TOM VERNON
DEPT. OF HIGHWAYS A. RAY CHAMBERLAIN
DEPT. OF INSTITUTIONS HENRY BOLANO
DEPT. OF LABOR AND EMPLOYMENT ROBERT GOSS
STATE COURT ADMINISTRATOR JAMES D. THOMAS
COURT OF APPEALS
DEPT. OF LOCAL AFFAIRS TIMOTHY SCHULTZ
DEPT. OF MILITARY AFFAIRS JOHN L. FRANCE
DEPT. OF NATURAL RESOURCES HAMLET J. BARRY, III
DEPT. OF PERSONNEL JOANNE BOKER
DEPT. OF PUBLIC SAFETY DAVID J. THOMAS
DEPT. OF REVENUE JOHN J. TIPTON
DEPT. OF REGULATORY AGENCIES STEVE BERSON
DEPT. OF SOCIAL SERVICES IRENE IBARRA
22 JUDICIAL DISTRICT COURTS

*Elected Officials
All others appointed by the Governor.

FINANCIAL SECTION

STATE OF COLORADO

OFFICE OF STATE AUDITOR
(303) 866-2051

TIMOTHY M. O'BRIEN, C.P.A.
State Auditor

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203

January 25, 1989

Independent Auditor's Report

Members of the Legislative Audit Committee:

We have audited the accompanying general purpose financial statements of the State of Colorado as of and for the year ended June 30, 1988, as listed in the table of contents. These general purpose financial statements are the responsibility of the State of Colorado's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Colorado at June 30, 1988, and results of operations and changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Colorado. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory section, graphic presentations and statistical data were not audited by us, and accordingly, we do not express an opinion on them.

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1988
(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS:				
Cash and Short-Term Investments	$5,918	$148,378	$9,462	$145,864
Investments	1,464	–	–	–
Taxes Receivable, net	345,988	37,957	–	–
Other Receivables, net	52,140	2,887	45	1,082
Due From Other Governments	125,834	50,975	–	2,155
Due From Other Funds	9,967	936	–	–
Inventories	57,682	17,792	–	–
Other Current Assets	3,287	370	240	6,000
Property, Plant and Equipment, net	–	–	–	–
Other Long-Term Assets	337	–	–	44,442
Amount Available in Debt Service Fund	–	–	–	–
Amount to be Provided for Retirement of Long-Term Obligations	–	–	–	–
TOTAL ASSETS	$602,617	$259,295	$9,747	$199,542
LIABILITIES:				
Net Liability to Pooled Cash	$16,486	$ –	$ –	$ –
Tax Refunds Payable	133,442	–	–	–
Accounts Payable and Accruals	122,201	50,420	1,484	5,803
Due to Other Governments	22,267	33,244	–	–
Due to Other Funds	5,390	9,525	–	1,933
Deferred Revenue	104,643	13,126	–	6,324
Capital Lease Obligations	–	–	–	–
Bonds and Notes Payable	–	–	–	–
Accrued Compensated Absences	–	–	–	–
Other Liabilities	–	–	–	–
TOTAL LIABILITIES	404,429	106,314	1,484	14,061
FUND EQUITY:				
Investment in Fixed Assets	–	–	–	–
Contributed Capital	–	–	–	–
Unreserved Retained Earnings	–	–	–	–
Fund Balances:				
Reserved for:				
Inventories	5,745	–	–	–
Encumbrances	3,702	–	–	47,886
Other Specific Purposes	88,417	152,981	8,263	130,332
Unreserved:				
Designated for Capital Construction	–	–	–	7,264
Designated for Higher Education	–	–	–	–
Undesignated	100,324	–	–	–
TOTAL FUND EQUITY	198,188	152,981	8,263	185,482
TOTAL LIABILITIES AND FUND EQUITY	$602,617	$259,295	$9,747	$199,542

See accompanying notes to financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS Memorandum Only	
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	1988	1987
$61,602	$160	$301,915	$ –	$ –	$230,410	$903,709	$876,979
–	–	216,860	–	–	51,237	269,561	212,065
–	–	98,022	–	–	–	481,967	489,694
1,783	1	6,267	–	–	119,524	183,729	174,824
5,302	191	5,857	–	–	11,806	202,120	186,153
853	8,963	3,413	–	–	23,909	48,041	34,086
5,337	1,424	2	–	–	22,399	104,636	97,515
238	52	215	–	–	9,545	19,948	12,684
14,207	71,993	10,359	620,210	–	1,346,329	2,063,098	1,942,239
57	–	4,636	–	–	–	49,470	47,504
–	–	–	–	8,263	–	8,263	8,286
–	–	–	–	181,936	–	181,936	193,127
$89,380	$82,784	$647,545	$620,210	$190,199	$1,815,158	$4,516,478	$4,275,156
$91	$1,625	$ –	$ –	$ –	$ –	$18,202	$88,679
–	–	–	–	–	–	133,442	133,206
8,526	3,914	14,066	–	–	77,216	283,631	264,317
1,834	–	44,621	–	–	–	101,965	93,763
74	14	5,804	–	–	25,301	48,041	35,545
3,958	51	4,654	–	–	32,682	165,439	159,330
–	5,151	–	–	53,138	108,004	166,294	165,476
335	–	–	–	–	125,366	125,701	122,818
1,102	386	977	–	55,725	33,781	91,970	83,661
–	–	173,589	–	81,336	–	254,926	227,330
15,920	11,142	243,711	–	190,199	402,351	1,389,610	1,374,125
–	–	–	620,210	–	1,106,219	1,726,429	1,652,327
10,637	47,265	–	–	–	–	57,902	52,365
62,823	24,377	–	–	–	–	87,200	84,349
–	–	–	–	–	–	5,745	23,495
–	–	–	–	–	–	51,588	53,196
–	–	403,834	–	–	223,329	1,007,155	915,438
–	–	–	–	–	–	7,264	2,097
–	–	–	–	–	83,260	83,260	72,622
–	–	–	–	–	–	100,324	45,141
73,460	71,642	403,834	620,210	–	1,412,808	3,126,868	2,901,031
$89,380	$82,784	$647,545	$620,210	$190,199	$1,815,158	$4,516,478	$4,275,156

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES:				
Taxes	$2,236,121	$314,079	$ –	$2,176
Licenses, Permits, and Fines	32,732	110,570	–	4,503
Charges for Goods and Services	55,577	749	2,006	1,984
Interest and Rents	40,291	3,025	111	16,011
Federal Grants and Contracts	833,457	220,742	–	9,001
Other	88,055	26,387	365	3,098
TOTAL REVENUES	3,286,234	675,553	2,482	36,774
EXPENDITURES:				
Current:				
General Government	139,434	7,819	–	–
Business, Community and Consumer Affairs	118,606	10,632	–	–
Education	32,946	–	–	–
Health and Rehabilitation	243,403	–	–	–
Justice	224,722	29,675	–	–
Natural Resources	32,953	37,247	–	–
Social Assistance	651,683	–	–	–
Transportation	–	399,526	–	–
Capital Outlay	18,920	35,299	–	63,672
Intergovernmental:				
Cities	28,074	50,140	–	850
Counties	308,252	78,546	–	202
School Districts	1,010,467	–	–	13
Special Districts	18,920	4,663	–	394
Federal	7,598	–	–	1,306
Debt Service	–	–	3,193	–
TOTAL EXPENDITURES	2,835,977	653,547	3,193	66,436
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	450,257	22,006	(712)	(29,662)
OTHER FINANCING SOURCES (USES):				
Operating Transfers-In	92,922	15,700	688	45,765
Operating Transfers-Out	(477,129)	(44,381)	–	(13,686)
Future Capital Lease Payments	496	–	–	–
TOTAL OTHER FINANCING SOURCES (USES)	(383,711)	(28,681)	688	32,079
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	66,546	(6,676)	(23)	2,417
FUND BALANCE, JULY 1	131,637	159,657	8,286	183,065
Net Residual Equity Transfers-In (Out)	5	–	–	–
FUND BALANCE, JUNE 30	$198,188	$152,981	$8,263	$185,482

See accompanying notes to financial statements.

FIDUCIARY FUND TYPE	TOTALS Memorandum Only	
EXPENDABLE TRUST	1988	1987
$225,730	$2,778,107	$2,667,339
6,078	153,884	146,066
13,488	73,804	56,585
21,626	81,064	82,797
9,957	1,073,159	1,043,306
23,352	141,258	90,543
300,232	4,301,274	4,086,636
20,953	168,206	155,358
1,178	130,416	117,462
351	33,297	42,125
1,619	245,022	233,347
9,276	263,672	239,478
277	70,477	66,811
195,946	847,628	820,728
–	399,526	406,342
222	118,114	118,686
		1,462,398
550	79,614	na
–	387,000	na
1	1,010,481	na
–	23,977	na
7	8,911	na
–	3,193	2,858
230,380	3,789,533	3,665,593
69,852	511,741	421,043
8,237	163,312	208,485
(36,754)	(571,950)	(558,565)
–	496	37,162
(28,517)	(408,142)	(312,918)
41,335	103,599	108,125
177,569	660,214	552,089
–	5	–
$218,904	$763,818	$660,214

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL ANNUALLY BUDGETED GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED JUNE 30, 1988 (Dollars in Thousands)

	GENERAL FUND		
	REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES:			
Sales and Use Taxes	$720,500	$724,645	$4,145
Other Excise Taxes	88,500	89,513	1,013
Income Taxes:			
Individual	1,384,700	1,409,880	25,180
Corporate	166,300	145,761	(20,539)
Less Refunds	(250,600)	(247,773)	2,827
Net Income Taxes	1,300,400	1,307,868	7,468
Estate Tax	14,500	13,413	(1,087)
Insurance Tax	84,700	80,695	(4,005)
Parimutuel, Courts and Other	44,600	54,771	10,171
Interest Earnings	4,000	5,853	1,853
Severance Tax	6,800	7,115	315
Total General Revenues	$2,264,000	$2,283,874	$19,874
Federal and Cash Funding Sources	1,363,712	1,227,462	(136,249)
TOTAL GROSS REVENUES & TRANSFERS	3,627,712	3,511,336	(116,376)
Less: Intrafund Revenues	-	(130,482)	-
Interfund Revenues	-	(94,621)	-
NET REVENUES	-	3,286,234	-
EXPENDITURES:			
Administration	$18,475	$17,290	$1,185
Agriculture	12,805	11,886	919
Corrections	79,491	78,874	617
Education	1,054,126	1,034,006	20,119
Governor	51,488	37,330	14,158
Health	122,863	117,000	5,863
Higher Education	445,456	444,053	1,403
Institutions	195,195	191,434	3,761
Judicial Branch	92,033	91,201	832
Labor and Employment	62,392	51,653	10,739
Law	14,607	12,104	2,503
Legislative Branch	17,392	15,238	2,155
Local Affairs	119,766	73,858	45,908
Military Affairs	3,159	3,035	123
Natural Resources	38,270	35,188	3,081
Personnel	3,697	3,575	122
Public Safety	32,770	24,678	8,092
Regulatory Agencies	51,422	31,562	19,860
Revenue	60,414	58,039	2,375
State	4,173	4,088	85
Social Services	992,825	975,838	16,987
Treasury	1,682	1,671	11
Other	45,439	45,173	267
Total Appropriated Expenditures & Transfers	3,519,941	3,358,774	161,167

SPECIAL REVENUE FUNDS			MEMORANDUM TOTALS		
REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE	REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
$ -	$ -	$ -	$720,500	$724,645	$4,145
-	-	-	88,500	89,513	1,013
-	-	-	1,384,700	1,409,880	25,180
-	-	-	166,300	145,761	(20,539)
-	-	-	(250,600)	(247,773)	2,827
-	-	-	1,300,400	1,307,868	7,468
-	-	-	14,500	13,413	(1,087)
-	-	-	84,700	80,695	(4,005)
-	-	-	44,600	54,771	10,171
-	-	-	4,000	5,853	1,853
-	-	-	6,800	7,115	315
$ -	$ -	$ -	$2,264,000	$2,283,874	$19,874
57,450	39,176	(18,274)	1,421,162	1,266,638	(154,524)
57,450	39,176	(18,274)	3,685,162	3,550,512	(134,650)
-	-	-	-	(130,482)	-
-	-	-	-	(94,621)	-
-	39,176	-	-	3,325,410	-
$ -	$ -	$ -	$18,475	$17,290	$1,185
-	-	-	12,805	11,886	919
-	-	-	79,491	78,874	617
-	-	-	1,054,126	1,034,006	20,119
-	-	-	51,488	37,330	14,158
-	-	-	122,863	117,000	5,863
-	-	-	445,456	444,053	1,403
-	-	-	195,195	191,434	3,761
-	-	-	92,033	91,201	832
16,691	10,633	6,058	79,084	62,286	16,797
-	-	-	14,607	12,104	2,503
-	-	-	17,392	15,238	2,155
-	-	-	119,766	73,858	45,908
-	-	-	3,159	3,035	123
40,760	39,506	1,254	79,029	74,694	4,335
-	-	-	3,697	3,575	122
-	-	-	32,770	24,678	8,092
-	-	-	51,422	31,562	19,860
-	-	-	60,414	58,039	2,375
-	-	-	4,173	4,088	85
-	-	-	992,825	975,838	16,987
-	-	-	1,682	1,671	11
-	-	-	45,439	45,173	267
57,451	50,139	7,312	3,577,392	3,408,913	168,479

(Continued on next page)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Cont.)

	GENERAL FUND		
	REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
Statutorily Authorized Expenditures	-	86,016	-
Currently Recognized Future Capital Lease Payments	-	496	-
TOTAL GROSS EXPENDITURES & TRANSFERS	-	3,445,286	-
Less: Intrafund Expenditures	-	(130,482)	-
Interfund Expenditures	-	(478,827)	-
NET EXPENDITURES	-	2,835,977	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	450,257	-
OTHER FINANCING SOURCES (USES)	-	(383,710)	-
EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER (UNDER) EXPENDITURES	-	66,546	-
FUND BALANCES, JULY 1	-	131,637	-
Net Residual Equity Transfers-In (Out)	-	5	-
FUND BALANCE, JUNE 30	$ -	$198,188	$ -

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS			MEMORANDUM TOTALS		
REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE	REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
-	-	-	-	86,016	-
-	-	-	-	496	-
-	50,139	-	-	3,495,425	-
-	-	-	-	(130,482)	-
-	-	-	-	(478,827)	-
-	50,139	-	-	2,886,116	-
-	(10,963)	-	-	439,294	
-	-	-	-	(383,710)	-
-	(10,963)	-	-	55,583	-
-	9,043	-	-	140,680	-
-	--	-	-	5	-
$ -	($1,920)	$ -	$ -	$196,268	$ -

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS Memorandum Only	
	Enterprise	Internal Service	Nonexpendable Trust	1988	1987
OPERATING REVENUES:					
Licenses, Permits, and Fines	$88	$ -	$ -	$88	$ -
Charges for Goods & Services	113,134	47,431	-	160,565	163,194
Interest & Rents	3,071	1,479	8,822	13,371	16,775
Federal Grants & Contracts	19,210	-	-	19,210	18,365
Other	4,861	8,674	-	13,535	5,525
TOTAL OPERATING REVENUES	140,364	57,584	8,822	206,769	203,859
OPERATING EXPENSES:					
Salaries & Fringe Benefits	23,688	16,340	-	40,028	32,237
Operating	23,465	25,035	-	48,500	38,929
Depreciation	1,125	8,824	-	9,950	6,880
Travel	257	18	-	275	308
Intergovernmental	440	-	-	440	-
Prizes	46,018	-	-	46,018	54,413
Other	14,067	1,721	135	15,923	17,275
TOTAL OPERATING EXPENSES	109,060	51,938	135	161,134	150,042
INCOME (LOSS) BEFORE OPERATING TRANSFERS	31,303	5,646	8,686	45,635	53,817
OPERATING TRANSFERS:					
Operating Transfers-In	1,252	386	-	1,639	2,114
Operating Transfers-Out	(35,000)	-	(1,266)	(36,266)	(32,091)
NET INCOME/CHANGE IN RETAINED EARNINGS	(2,445)	6,032	7,420	11,008	23,840
FUND EQUITY, JULY 1	75,905	65,615	177,510	319,029	290,384
Net Residual Equity Transfers-In (Out)	-	(5)	-	(5)	-
FUND EQUITY, JUNE 30	$73,460	$71,642	$184,930	$330,032	$314,224

See accompanying notes to financial statements.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS Memorandum Only	
	Enterprise	Internal Service	Nonexpendable Trust	1988	1987
SOURCES OF WORKING CAPITAL:					
Operations:					
Net Income	($2,445)	$6,032	$7,420	$11,008	$23,840
Item Not Requiring Working Capital:					
Depreciation	1,125	8,824	–	9,950	6,880
Working Capital Provided by Operations	(1,319)	14,857	7,420	20,958	30,720
Net Decrease In:					
Property, Plant and Equipment	–	–	3	3	67
Other Long-Term Assets	–	–	93	93	502
Net Increase In:					
Capital Lease Obligations	–	3,687	–	3,687	70
Accrued Compensated Absences	169	257	–	426	146
Beginning Fund Equity	–	4,806	–	4,806	3,869
TOTAL SOURCES OF WORKING CAPITAL	(1,150)	23,607	7,516	29,974	35,374
USES OF WORKING CAPITAL:					
Net Increase In:					
Property, Plant and Equipment	1,889	16,133	–	18,022	19,739
Other Long-Term Assets	34	–	–	34	–
Net Decrease In:					
Capital Lease Obligations	–	–	–	–	314
Accrued Compensated Absences	179	–	–	179	–
Bonds and Notes Payable	168	–	–	168	162
Residual Equity Transfers Out	–	5	–	5	–
TOTAL USES OF WORKING CAPITAL	2,269	16,138	–	18,407	20,215
NET INCREASE (DECREASE) IN WORKING CAPITAL	($3,418)	$7,469	$7,516	$11,568	$15,159
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
Cash and Short-Term Investments	($8,505)	$43	($42,750)	($51,212)	($1,617)
Investments	(76)	–	50,105	50,029	22,349
Receivables, net	(312)	–	–	(312)	(523)
Due From Other Governments	2,108	185	309	2,602	(604)
Due From Other Funds	(282)	4,974	(147)	4,546	(2,108)
Inventories	1,017	263	–	1,280	(205)
Other Current Assets	(197)	11	–	(185)	203
Liability to Pooled Cash	175	2,342	–	2,516	(2,258)
Accounts Payable and Accruals	(538)	(655)	–	(1,193)	196
Due to Other Governments	3,767	–	–	3,767	4
Due to Other Funds	490	(9)	–	481	(337)
Deferred Revenue	(1,066)	316	(1)	(751)	59
NET INCREASE (DECREASE) IN WORKING CAPITAL	($3,418)	$7,469	$7,516	$11,568	$15,159

See accompanying notes to financial statements.

COMBINED BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1988
(Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS
	UNRESTRICTED	RESTRICTED		
ASSETS:				
Cash and Short-Term Investments	$122,245	$8,531	$6,665	$2,981
Investments	13,890	4,676	–	16,679
Accounts Receivable:				
Tuition, Fees, and Charges for Services, net	47,642	6,565	1,675	1,458
Intergovernmental	110	11,537	109	–
Other	319	5,270	231	8
	48,071	23,372	2,016	1,466
Loans and Notes Receivable, net	1,858	42	53,701	27
Due From Other Funds	7,090	3,002	5	1,097
Inventories	22,309	90	–	–
Other Current Assets	8,685	284	37	25
Plant Facilities:				
Land and Improvements	–	–	–	2,180
Buildings and Improvements, net	–	–	–	–
Leasehold Improvements, net	–	–	–	–
Construction in Progress	–	–	–	–
Equipment, net	–	–	–	–
Library Books	–	–	–	–
Other Fixed Assets	–	–	–	–
	–	–	–	2,180
TOTAL ASSETS	$224,148	$39,998	$62,423	$24,456
LIABILITIES:				
Accounts Payable and Accruals	$59,762	$10,226	$84	$61
Due to Other Funds	15,356	713	43	–
Deferred Credits	32,263	190	–	–
Capital Lease Obligations	–	–	–	–
Bonds and Notes Payable	–	–	–	–
Accrued Compensated Absences	33,507	114	154	–
TOTAL LIABILITIES	140,888	11,243	282	61
FUND BALANCES:				
Investment in Fixed Assets	–	–	–	–
Reserved	–	28,754	62,142	24,395
Unreserved	83,260	–	–	–
TOTAL FUND BALANCES	83,260	28,754	62,142	24,395
TOTAL LIABILITIES AND FUND BALANCES	$224,148	$39,998	$62,423	$24,456

See accompanying notes to financial statements.

PLANT FUNDS			TOTALS Memorandum Only	
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	1988	1987
$76,788	$13,200	$ -	$230,410	$204,657
5,950	10,041	-	51,237	62,617
80	40	-	57,460	57,759
46	4	-	11,806	4,811
249	244	-	6,322	8,981
375	288	-	75,588	71,551
114	-	-	55,742	53,419
12,442	274	-	23,909	14,427
-	-	-	22,399	22,009
248	266	-	9,545	6,435
-	-	74,319	76,498	27,070
-	-	693,696	693,696	726,171
-	-	3,522	3,522	na
102,292	-	-	102,292	74,795
-	-	360,615	360,615	332,095
-	-	109,414	109,414	101,548
-	-	291	291	718
102,292	-	1,241,857	1,346,329	1,262,397
$198,208	$24,069	$1,241,857	$1,815,158	$1,697,512
$4,005	$3,079	$ -	$77,216	$63,034
5,588	-	3,600	25,301	15,755
204	25	-	32,682	30,122
71,639	-	36,366	108,004	101,058
29,693	-	95,673	125,366	122,315
6	-	-	33,781	30,707
111,135	3,103	135,638	402,351	362,991
-	-	1,106,219	1,106,219	1,060,256
87,073	20,965	-	223,329	201,643
-	-	-	83,260	72,622
87,073	20,965	1,106,219	1,412,808	1,334,521
$198,208	$24,069	$1,241,857	$1,815,158	$1,697,512

COMBINED STATEMENT OF CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS
	UNRESTRICTED	RESTRICTED		
REVENUES AND OTHER ADDITIONS:				
Tuition and Fees	$276,524	$17	$ -	$ -
Federal Grants and Contracts	4,264	217,288	1,702	-
State and Local Grants and Contracts	1,175	19,294	-	-
Private Gifts, Grants, and Contracts	573	58,365	116	1,477
Investment Income	10,639	1,244	342	692
Sales and Services of Educational Activities	49,130	10	-	-
Sales and Services of Auxiliaries and Hospitals	224,504	-	-	-
Realized Gain (Loss) on Investments	-	-	31	949
Gain (Loss) on Debt Extinguishment	-	-	-	-
Interest on Loans Receivable	-	-	1,511	-
Retirement of Indebtedness	-	-	-	-
Additions to Plant Facilities	-	-	-	-
Other Revenue and Additions	42,505	351	347	33
TOTAL REVENUES AND OTHER ADDITIONS	609,314	296,569	4,048	3,151
EXPENDITURES AND OTHER DEDUCTIONS:				
Educational and General:				
Instruction	368,566	56,667	-	-
Research	17,809	137,042	-	-
Public Service	25,318	13,445	-	-
Academic Support	74,233	9,566	-	-
Student Services	67,914	7,183	491	293
Institutional Support	94,095	6,880	-	-
Operation of Plant	68,017	501	-	-
Scholarships and Fellowships	5,769	58,878	-	-
TOTAL EDUCATIONAL AND GENERAL	721,721	290,162	491	293
Auxiliaries and Hospitals	253,073	696	-	-
Loan Cancellation and Write-off	-	-	506	-
Expended for Plant Facilities	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Interest on Indebtedness	-	-	-	-
Disposal of Plant Facilities	-	-	-	-
Other Expenditures and Deductions	-	26,507	542	1,896
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	974,793	317,365	1,539	2,189
TRANSFERS BETWEEN FUNDS - (ADDITIONS)/DEDUCTIONS:				
Mandatory Transfers	17,516	175	(182)	-
Nonmandatory Transfers	14,482	694	127	3,538
Net Operating Transfers from State Funds	(408,282)	(21,976)	-	-
TOTAL EXPENDITURES, DEDUCTIONS & TRANSFERS	598,510	296,257	1,483	5,727
NET INCREASE (DECREASE) IN FUND BALANCES	10,804	311	2,565	(2,576)
FUND BALANCE, JULY 1	72,456	28,443	59,577	26,971
FUND BALANCE, JUNE 30	$83,260	$28,754	$62,142	$24,395

See accompanying notes to financial statements.

PLANT FUNDS			TOTALS Memorandum Only	
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	1988	1987
$59	$1,266	$ -	$277,866	$280,947
119	192	-	223,565	189,890
5	-	-	20,474	18,714
401	-	67	60,999	55,286
4,872	2,269	-	20,057	20,097
-	-	-	49,141	48,116
-	-	-	224,504	207,517
2	(68)	-	914	(3,572)
(272)	-	-	(272)	na
-	-	-	1,511	1,515
6,583	-	7,945	14,528	10,220
119	-	71,827	71,947	na
30,776	754	11,838	86,603	141,336
42,665	4,413	91,677	1,051,837	970,066
-	-	-	425,233	353,803
-	-	-	154,851	139,396
-	-	-	38,763	37,111
-	-	-	83,799	73,675
-	10	-	75,891	68,424
-	-	-	100,975	91,315
-	-	-	68,517	65,169
-	-	-	64,647	59,583
-	10	-	1,012,676	888,476
-	-	-	253,769	238,460
-	-	-	506	1,341
46,333	-	-	46,333	43,999
3,425	10,779	-	14,204	11,142
2,619	11,536	-	14,154	13,054
-	-	24,613	24,613	17,218
213	41	21,101	50,299	64,502
52,590	22,364	45,715	1,416,555	1,278,192
(339)	(17,170)	-	-	-
(17,900)	(941)	-	-	-
(12,865)	(142)	-	(443,265)	(384,003)
21,487	4,112	45,715	973,290	894,189
21,178	302	45,963	78,547	75,877
65,895	20,664	1,060,256	1,334,261	1,258,644
$87,073	$20,965	$1,106,219	$1,412,808	$1,334,521

STATE OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1988

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the State of Colorado conform to generally accepted accounting principles applicable to governmental units.

A. REPORTING ENTITY

The Governmental Accounting Standards Board, in its codification of governmental accounting and financial reporting standards, has established criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. These criteria are:

1. Selection of governing authority;
2. Designation of management;
3. Ability to significantly influence operations;
4. Accountability for fiscal matters; and
5. Scope of public service and special financing relationships.

The State includes within its reporting entity all departments, agencies, commissions, boards, and all State funded institutions of higher education. Excluded from the entity are the college and university foundations and the public authorities for which the State assumes no day to day management control, obligation, moral or legal, for their debts, nor reserves for itself any entitlement to their surplus assets.

The following authorities or associations constitute the principal entities that are excluded from these statements. Although the appointment of the governing boards is similar in many instances to the methods used to appoint management of the organizations included within the entity, the State does not control the appointment of staff nor does it assume responsibility for their debts or reserve for itself any entitlement to their excess funds. Detailed financial information may be obtained directly from these organizations.

Colorado Housing Finance Authority (CHFA)

CHFA was created by the General Assembly in 1973 to help alleviate the high cost of construction and mortgage loans. It is authorized to raise funds through the sale of bonds and notes and then lend the proceeds to eligible borrowers through private lending institutions. The repayment of the loans is used to retire the bonds and notes. Its governing board consists of nine members, the State Auditor, one member appointed jointly by the Speaker of the House and the Senate Majority Leader, plus seven

members appointed by the Governor. The Board is required to report annually to the Governor and the General Assembly. Financial highlights of CHFA in thousands (000) for their year ended December 31 are:

	1987	1986
Total Assets	$1,227,578	$1,222,885
Total Liabilities	1,152,704	1,152,893
Revenues	$108,755	$112,057
Expenses	102,563	106,120

Colorado Student Obligation Bonding Authority (CSOBA)

CSOBA is a political subdivision created in 1979 to help finance student loans, both in the secondary market and as a direct lender. Its governing board is appointed by the Governor with the consent of the Senate, but its management is selected by the board. Annual reports are filed with the Governor and State Auditor.

Financial highlights of CSOBA in thousands (000) for their year ended September 30 are:

	1987	1986
Total Assets	$293,706	$315,998
Total Liabilities	282,307	306,496
Revenues	$23,451	$27,590
Expenses	21,553	25,644

Public Employees Retirement Association (PERA)

PERA was established for the purpose of providing present and future retirement, disability, or survivor benefits for state, school, and municipal employees within Colorado. It is financed by employer and employee contributions. PERA's management is vested in a 16 member board which includes the State Auditor, State Treasurer, and 14 members elected by participants.

Highlights of PERA's December 31 finances for the State Division only expressed in thousands (000) are:

	1987	1986
Net assets available for benefits	$2,763,440	$2,648,996
Total actuarial present value of plan benefits	2,429,113	2,202,884
Contributions: Employer	$83,022	na
Employee	79,757	na
Investment income	68,972	na
Benefits and refunds paid	139,834	na

Colorado Postsecondary Educational Facilities Authority

This authority was established in 1981 by an act of the General Assembly to provide alternative financing methods by which institutions of postsecondary education in Colorado can refund or refinancee outstanding indebtedness and finance additional facilities and other capital expenditures. Its seven member governing board is appointed by the Governor with the consent of the Senate and has complete authority to appoint the Authority's management. Financing is obtained by issuance of tax-exempt revenue bonds and notes or other obligations which do not constitute a debt of the State. The Authority files annual reports with the Governor and State Auditor.

Financial highlights in thousands (000) for their year ended September 30 are:

	1987	1986
Total Assets	$60,673	$86,852
Total Liabilities	60,434	86,644
Revenues	$106	$299
Expenditures	74	234

Colorado Health Facilities Authority

This authority was created in 1977 to provide alternative financing methods by which non-profit hospitals and health institutions in Colorado can refund or refinance outstanding indebtedness and finance additional facilities and other capital expenditures. Financing is obtained by issuance of tax-exempt revenue bonds and notes or other obligations which do not constitute a debt of the State. Its seven member governing board is appointed by the Governor with the consent of the Senate. The board designates the management of the Authority. Annual reports are filed with the Governor and State Auditor. Financial highlights for their fiscal years ended September 30, in thousands (000) are:

	1987	1986
Total Assets	$835,217	$1,041,639
Total Liabilities	834,090	1,040,805
Net Proceeds of Bonds Issued	$58,455	$431,540
Investment Income	40,532	37,180

Colorado Water Resources and Power Development Authority

This authority was created in 1981 to acquire, construct, maintain, repair and operate, or cause to operate, projects for the protection, preservation, conservation, upgrading, development and utilization of Colorado's water resources. Financing is obtained by issuance of tax-exempt bonds and notes or other

obligations which do not constitute a debt of the State. Its nine member governing board is appointed by the Governor with the consent of the Senate. Management of the authority is the responsibility of the board. Annual reports are prepared for the Governor and the General Assembly.

Financial highlights for their year ended December 31 in thousands (000) are:

	1987	1986
Total Assets	$64,449	$56,673
Total Liabilities	13,956	8,256
Reserved Fund Balance	30,728	30,034
Revenues	$3,810	$3,866
Expenses	1,734	1,629

Colorado Agricultural Development Authority

This authority, which was created in 1981 by an act of the General Assembly, provides low interest financing to farmers, ranchers, and agricultural processors for capital expenditures necessary for agricultural production. This is accomplished by issuance of tax-exempt bonds and notes, plus other obligations which do not legally constitute a debt of the State. Of its seven member governing board, one is appointed by the Governor with the consent of the Senate, three are appointed by the Speaker of the House, and three are appointed by the Senate President. Annual reports are submitted to the governor and State Auditor.

Financial highlights for their year ended December 31 in thousands (000) are:

	1987	1986
Total Assets	$71	$21
Total Liabilities	0	0
Total Revenues	$60	$14
Total Expenditures	11	16

State Compensation Insurance Authority

This authority was created by an act of the General Assembly effective July 1, 1987. Prior to that it had been a division in the State's Department of Labor and Employment. The purpose of the Authority is to provide workmen's compensation insurance to the State and other employers within Colorado. The five member board of directors consists of the Executive Director of the Department of Labor and Employment and four members appointed by the Governor with the consent of the Senate. Management of the Authority is appointed by the board. An annual report is submitted to the Governor and the General Assembly.

Financial highlights for their year ended December 31 in thousands (000) are:

	1987	1986
Total Assets	$540,887	$508,889
Total Liabilities	482,638	452,514
Change in Surplus from Previous Year	$1,874	($17,566)

B. **FUND STRUCTURE AND BASIS OF ACCOUNTING**

The financial activities of the State are organized on the basis of individual funds and account groups. The operations of each fund, which are separate accounting entities, are recorded in discrete sets of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures, or expenses, of that entity. For financial statement presentation, similar funds have been combined into fund types and categories.

GOVERNMENTAL FUNDS

General Fund
Transactions related to resources obtained and used for those services traditionally provided by state government, which are not accounted for in other funds are accounted for in the General Fund. Resources obtained from federal grants which support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue Funds
Transactions related to resources obtained from specific sources, which are restricted to specific purposes are accounted for in the special revenue funds. The individual funds include the Highway Fund, Wildlife Fund, and the Labor Fund.

Debt Service Fund
This fund accounts for the accumulation of resources, principally transfers from other funds, for the payment of long-term debt principal and interest. The primary debt of the State consists of certain long-term lease purchase agreements.

Capital Projects Funds
Transactions related to resources obtained and used for acquisition, construction, or improvement of State owned facilities other than those financed by college and university fund types are accounted for in the capital projects funds. Construction projects which are provided to political subdivisions or other organizations are also recorded in these funds. The Capital Construction Fund accounts for projects that have been appropriated by the Legislature and are financed from operating transfers from the general fund, lottery fund, and federal grants.

PROPRIETARY FUNDS

Enterprise Funds
Account for operations that are financed and operated in a manner much like private business enterprises. Costs of providing goods and services to the general public, including depreciation, are recovered primarily through user charges. Beginning July 1, 1987 the State Compensation Insurance Authority was removed from these funds and excluded as an entity from the General Purpose Financial Statements as noted in Note A.

Internal Service Funds
These funds account for the functions of State agencies that provide goods or services within the State or other governmental units on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Trust and Agency Funds
These funds account for assets held by the State in a trustee capacity or as an agent for other organizations or individuals. They include agency funds, expendable and nonexpendable trust funds. Agency funds are used to account for assets held for other funds, governments, or individuals. They are custodial in nature and do not involve measurement of operations. The expendable trust fund classification is used when both the principal and revenue earned may be expended for purposes designated by the trust agreement. Nonexpendable trust funds require that the principal of the fund remains intact while only the earnings of the fund are expendable.

ACCOUNT GROUPS

General Fixed Assets Account Group
Capital assets purchased, constructed, or donated to the State for its use, with the exception of infrastructure, are accounted for in this group. Capital assets utilized by Enterprise, Fiduciary, and Trust and Agency Funds are recorded in those respective funds and depreciated there.

General fixed assets are recorded at historical cost except for donated assets which are recorded at their fair market value at the time they were donated. No depreciation is recorded on general fixed assets.

General Long-term Debt Account Group
This group accounts for unmatured long-term lease-purchase obligations, and certain leave obligations accrued by the State's employees. In addition, the State records the liability it has under the Worker's Compensation Act to assist injured workers in the State who have exceeded the benefits defined by their workmen's compensation insurance.

COLLEGE AND UNIVERSITY FUNDS

These funds account for the operations of the State supported system of higher education as well as those of the University of Colorado Health Sciences Center. The College and University Funds consists of the following funds:

Current Funds Unrestricted account for economic resources which are expendable for any purpose in accomplishing the institutions primary objectives.

Current Funds Restricted account for resources received from donors or other outside agencies that are restricted for specific purposes.

Loan Funds account for resources available for loans.

Endowment Funds account for resources which the donor has stipulated that the principal must remain intact but earnings may be added to the principal or expended for restricted or unrestricted purposes.

Plant Funds account for resources available to acquire or repair institutional properties, to service debt incurred to acquire such properties, and the cost of fixed assets and the related liabilities used to acquire them.

Agency Funds account for resources held by the institution acting in the capacity as agent for distribution to designated beneficiaries.

BASIS OF ACCOUNTING

Governmental, Expendable Trust, and Agency Funds are reported on the modified accrual basis. This basis of accounting recognizes revenues when they are measurable and available to finance current operations or to liquidate liabilities existing at fiscal year-end. Historical data, adjusted for economic trends is used in the estimation of the following accruals:

Sales, use, liquor, and cigarette taxes are accrued based on filings received and due by June 30th. Amounts expected to be collected after 12 months are offset by deferred revenue. Income taxes from individuals, corporations, and trusts are accrued based on current income earned by the taxpayer prior to June 30th. Quarterly filings, withholding statements, and other historical data is used to estimate the taxpayer's current income. Amounts expected to be collected after twelve months are recorded as deferred revenue. An estimate of the uncollectible income taxes is credited to an allowance for bad debts with the revenue accrued net of this allowance.

Revenues earned under the terms of agreements with federal, local governments, or private sources are recorded at the time that the related expenditures are made.

Expenditures are recognized during the period in which the fund liability is incurred except for the interest on long-term debt which is recorded when due and accumulated employee leave time which is recorded when paid.

Special reporting treatment at year-end is accorded to encumbrances and consumable inventories. Fund balance is reserved at year-end for the appropriation that will be rolled-forward to cover encumbrances. Fund balance is also reserved for consumable inventory except for the portion of inventories for food stamps and donated food commodities ($51.9 million) which is not recorded in fund balance, but is offset by a deferred revenue, consistent with the accounting for federally funded pass-through grants.

Proprietary and Pension Trust Funds are reported on an accrual basis. Using this basis, revenues are recognized when earned and expenses, including depreciation, are recognized when incurred.

College and University Funds are reported on the accrual basis except for depreciation related to plant fund assets which is not recorded, and revenues and expenditures related to summer school programs which are recorded primarily in the subsequent fiscal year in accordance with the National Association of College and University Business Officer's College and University Business Administration.

C. **BUDGETARY ACCOUNTING**

The financial operations of the legislative, judicial, and executive branches of the State's government, with the exception of the Highway Department portion of the Highway Fund, are controlled by annual appropriation made by the General Assembly. The Highway Department appropriation is made by the State Highway Commission and approved by the Governor. The legislative appropriation is constitutionally limited to the unrestricted funds held at the beginning of the year plus revenues estimated to be received during the year as determined by the modified accrual basis of accounting. The Governor has line item veto authority over the Long Appropriations Bill but the General Assembly may override each individual line item veto by a two-thirds majority enacted in each house.

General and cash fund appropriations, with the exception of capital construction, lapse at year-end unless executive action is taken to

roll-forward all or part of the remaining unspent budget authority. Appropriations that meet the strict criteria for roll-forward are reserved at year-end. Capital construction appropriations are available, generally, for three years after appropriation.

The appropriation controls the combined expenditures and encumbrances of the State at a minimum to the agency level and in the majority of the cases, to the level of line item within the agency. Expenditures are determined using the accrual basis of accounting even if that accrual will result in an overexpenditure. The appropriation may be adjusted in the following session of the legislature by a supplemental appropriation. Supplementals passed into law during FY 1988 were $10 million for General Fund, $11.3 million for cash funds, and $25.3 for federal funds granted to the State. If cash or federal revenues earned on a modified accrual basis are less than expenditures then an overexpenditure exists even if the expenditures did not exceed the legislative appropriation. Overexpenditures that occurred at June 30, 1988 were:

Department/Line Item	Amount Overexpended	Type of Funds
Department of Social Services		
Medical Programs - Medicaid	$22,076,382	General
Medical Programs - Medicaid	22,082,824	Federal
Fiscal Agent - Medicaid	49,515	General
Fiscal Agent - Medicaid	148,544	Federal
Medical Assistance Administration	18,253	General
Department of Public Safety		
Legal Services Contingency	4,665	Cash
Training Academy Operating	851	General
Training Academy Materials Recovery	3,618	General
Disaster Emergency Services Operating	267	General
Community Corrections	326	General
Victims Assistance	483	Cash
Aircraft Pool Operating	47,443	Cash
Department of Higher Education		
Work Study Program	16,867	General
Department of Regulatory Agencies		
Small Business Development Credit Corp.	714	General
Department of Agriculture		
Brand Board	92,111	Cash

Overexpenditures are determined using the accrual basis of accounting. Appropriations in the subsequent year are restricted when an overexpenditure occurs. This requires the offenders to seek either a supplemental appropriation from the Legislature or a reduction of the subsequent years expenditures to match the restricted appropriation.

D. **ELIMINATIONS**

Substantially all intrafund transactions and balances have been eliminated. Substantially all revenues from interfund transactions have been reclassified as operating transfers-in using the account "Other Financing Sources (Uses)" section of the statements. Likewise, the interfund expenditures/expenses have been reflected as operating transfers-out.

E. **TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Nor are they comparable to a consolidation as interfund eliminations have not been made in the aggregation of this data.

F. **CASH AND SHORT-TERM INVESTMENTS**

The State Treasury acts as a bank for all state agencies. Monies deposited in the Treasury are invested until the cash is needed. Interest earnings on these investments are credited to the General Fund unless a specific statute directs otherwise. The detailed composition of the cash and investments is shown in the annual Treasurer's Report. The State maintains numerous cash accounts for administrative purposes. The cash reflected on the balance sheet is the composite amount of all accounts although some of the individual accounts may be periodically overdrawn. Deficit cash balances on a fund basis are shown in the liability section of the balance sheet as "Liability to Pooled Cash."

G. **INVESTMENTS**

Items classified as investments are long-term investments, which are generally stated at cost or amortized cost, which approximates market. The investments of the deferred compensation plan are carried at current market value in accordance with generally accepted accounting principles.

H. **TAXES RECEIVABLE**

The taxes receivable of $482.0 million results from the recording of self-assessed taxes on the accrual basis. Of this amount $455.4 million is estimated to be collected between July 1, 1988 and June 30, 1989 while $26.6 million to be collected subsequent to June 30, 1989 and thus offset by an equal charge to deferred revenue. Tax

refunds payable of $133.4 million is the estimated liability for refunds associated with the above taxes receivable amount.

I. OTHER RECEIVABLES

The other receivables of $183.7 million are net of the deduction for $132.2 million in allowance for doubtful accounts.

J. INVENTORY

Inventories of the various state agencies consists primarily of consumable items including office and institutional supplies, fuel and maintenance items, and finished goods inventories held for resale by Correctional Industries. Inventories are stated at the lower of cost or market using various valuation methods (fifo, average, etc.) depending upon the state agency. The method used in each agency is consistent from year to year.

Consumable inventories that are material are expended at the time they are consumed. Immaterial consumable inventories are expended at time of purchase, while inventories held for resale are expensed at the time of sale. Although the consumption method is used in the General Fund for reporting expenditures of inventories, a reservation of fund balance is also recorded for budgetary purposes.

K. PROPERTY, PLANT AND EQUIPMENT

General fixed assets are reported at cost or estimated historical cost. Donated fixed assets are stated at fair market value at the time of the donation. Infrastructure assets, including highways, bridges, and right-of-way land is not capitalized. No depreciation is provided on general fixed assets nor generally on the fixed assets of the college and university funds.

Depreciation is recorded on the fixed assets of the proprietary fund types and nonexpendable trust funds. Depreciation of these assets is recorded over their useful life using the straight-line method. The following lives are used:

Buildings	25-40 years
Improvements other than buildings	10-17 years
Furniture, machinery and equipment.	5-12 years

L. OTHER LONG-TERM ASSETS

The $44.4 million reported in the Capital Projects Fund represents long-term loans made to local entities by the Water Conservation Board for the purpose of constructing water projects in the State.

These loans are made for periods ranging from 10 to 40 years at interest rates of 2 to 4 percent. The entities make a yearly payment of principal and interest.

M. DEFERRED REVENUE

Revenues received from the Federal government and other program sponsors is deferred until such time as the related expenditures are made. Taxes receivable beyond the following year are also deferred as mentioned in Note H. It is also the policy of state higher education institutions to defer summer school tuition to the following fiscal year.

N. FUND EQUITY

The fund balance of the General Fund consists of a reserved and an unreserved portion. Amounts are reserved as provided by statute or as provided by generally accepted accounting principles. The unreserved portion of fund equity is available for future use as working capital or to be appropriated, and since the State is prohibited by its Constitution from incurring general obligation debt then the unreserved fund equity must be positive at year-end.

Reserves of the fund equity of the General Fund at June 30, 1988 consist of:

Reserve for Inventories - This reserve represents the amount of current assets invested in consumable inventories and thus not available as spendable resources. Food stamps and other commodities that are warehoused for distribution to the proper recipients is not reserved.

Reserve for Encumbrances - This reserve is for the portion of the Fiscal Year 1987-88 appropriation that was encumbered for goods and services that were, due to extenuating circumstances, not received prior to June 30, 1988 and for which the Controller has determined that the intent of the FY 1987-88 appropriation was to be spent on these items. Thus, the specific appropriation related to these items is to be rolled-forward to FY 1988-89.

Reserve for Other Specific Purposes - These reserves are used to indicate that a portion of fund balance is restricted as to its use. The restriction of the representative assets may have been placed there by their donor in the case of fiduciary funds, by statute in the General and other governmental type funds, or reserved for special purposes such as the payment of debt principal in the case of the debt service funds. These reserves at June 30, 1988 was composed of (in thousands) the following amounts by fund were:

Reserved For	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Funds
Old Age Pension	$ 5,000				
Hazardous Substance Response	6,372				
Comprehensive Environmental Reclamation and Liability Act	2,314				
Public Employees Social Security	1,534				
Severance Tax Monies	10,352				
Mineral Lease Monies	9,917				
Economic Development Monies	3,314				
Public School Income Monies	5,368				
Oil Shale Trust Monies	2,033				
Elderly Property Tax	1,464				
Alcohol Driver Safety	1,274				
Capital Construction	5,522			$ 85,890	
Regulatory License, Assessment and Fee Adjustment	3,278				
Energy Conservation	23,140				
Highway Construction		$154,901			
Wildlife, Parks and Outdoor Recreation		7,476			
Benefits for Injured Workers		(9,396)			
Debt Retirement			$8,263		
Long-term Loans Receivable				44,442	
Treasurer's Expendable Trust					$ 23,198
Unemployment Benefits					185,330
Victims of Crime					3,985
State Land Board					(2,939)
State Employees Insurance					(2,661)
Public School Permanent Monies					171,328
Other Special Revenue Programs	7,535				25,593
TOTALS	**$88,417**	**$152,981**	**$8,263**	**$130,332**	**$403,834**

O. RESTATED BEGINNING FUND BALANCES DUE TO ACCOUNTING CHANGES

In prior years the State Compensation Insurance Fund was reported in the Enterprise Fund, but effective July 1, 1987 it became an independent authority. This reduced the beginning fund balance at July 1, 1987 by $68.9 million from the June 30, 1987 fund balance reported the prior year in the Enterprise Fund.

Certain fixed assets of the Department of Administration related to divisions that have increased their internal service fund operations were previously reported in the General Fixed Asset Account Group but are now reported in the Internal Service Funds. The beginning fund equity of the Internal Service funds is thus restated by the addition of $4.8 million to include these assets.

The College and University Fund's unrestricted and restricted funds fund balances were restated by reducing them $166,000 and $93,000 respectively. These adjustments were the result of minor changes in fund classifications.

P. **FUND BALANCE DEFICITS**

The three fund deficits that exist at June 30, 1988 as shown in Note N occurred for the following reasons:

The fund deficit of $9.4 million in the Benefits for Injured Workers resulted primarily from a statutory requirement to abate taxes whenever the fund balance is in excess of $3 million. Tax collections have since resumed and the deficit should be eliminated in the subsequent fiscal year.

The fund deficit of $2.9 million for the State Land Board is a result of their transfer of cash received in prepayments of rents and other items that was deferred in the accounts of this fund but recorded as an operating transfer in the General Fund.

The fund deficit of $2.66 million in State Employees Insurance is the result of unanticipated utilization of medical benefits by state employees and charged to this fund by the benefits administrator.

NOTE II. OTHER ACCOUNTING DISCLOSURES

A. **CASH DEPOSITS AND INVESTMENTS**

State agencies are authorized by various statutes to deposit funds in accounts outside the custody of the State Treasury. Legally authorized deposits and investments generally include demand deposits, certificates of deposit and obligations of, or guaranteed by the United States Government. The State's cash management policy is to invest all major revenues as soon as the moneys are available within the banking system. Electronic transfers are used by the State to enhance availability of funds for investment purposes.

Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act requires all eligible depositories holding public deposits to pledge designated eligible collateral having market value equal to at least 100% of the deposits exceeding those amounts not insured by federal insurance.

Deposits

The State maintains accounts and certificates of deposits for various purposes at locations throughout the State. Cash balances not required for immediate use are deposited either through the investment pool administered by the State Treasurer or by the fund custodians.

The State categorizes its cash into four categories as to their risk:

Category 1 are Federally insured deposits, or deposits fully collateralized with securities held by the State or its agent in the State's name.

Category 2 are uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the State's name.

Category 3 are uninsured and uncollateralized deposits including bank balances collateralized with securities held by the bank, its trust department, or its agent, but not held in the State's name.

Category 4 is cash held in petty cash funds, change funds, or other cash-on-hand including cash in-transit to the Treasury or bank.

Other cash represents investments in pools managed by other governments or mutual funds. The amount is disclosed in accordance with GASB Statement No. 3 but it is not categorize because the amount is not evidenced by securities that exist in physical or book entry form.

Risk Classification	Cash at June 30
Category 1	$196,569,159
Category 2	200,222,596
Category 3	4,393,606
Category 4	8,678,843
Other Cash	3,617,512
TOTAL	$413,481,716

Investments

The State holds investments both for its own benefit and as an agent for specified State agencies as provided by law. Investment of funds not required for immediate payments are administered by the State Treasurer or the authorized custodian of the funds.

The State categorizes the risks of its investments into the following categories:

Category A are those investments which are insured or registered and held by the State or its agent in the State's name.

Category B are those investments which are uninsured or unregistered and held by a counterparty in the State's name.

Category C are those investments which are uninsured or unregistered and not held in the State's name or any other investment which has not been identified as to the risk category.

The following table lists the State's deposits and investments by type and risk category:

(Amounts in Thousands)

	Risk Category			Carrying	Market
	A	B	C	Amount	Value
U.S. Government Securities	$540,667	$ 6,996	$ 5,992	$553,655	$550,483
Bankers' Acceptance	70,902	349	23	71,274	71,884
Commercial Paper	113,632	10,507	2,347	126,486	125,642
Corporate Securities	6,103		9,967	16,070	16,275
Corporate Bonds	31,618		2,746	34,364	33,653
Repurchase Agreements	9,219	12,715	964	22,898	22,894
Others	5,637	207	1,504	7,348	5,436
TOTALS	**$777,778**	**$30,774**	**$23,543**	**$832,095**	**$826,267**
Deferred Compensation				54,169	54,169
				$886,264	**$880,436**

The total carrying amount for deposits and investments consists of pooled monies invested by the State Treasurer. The State Deferred Compensation Plan is a voluntary employee deferral of wages provided by Internal Revenue Code Section 457. The assets are held by the provider organizations in the State's name and are the State's property but subsidiary systems are maintained with records of the each individual participant's investments. See Note IV-F for further information about the plan.

Reconciliation to the financial statements is (expressed in thousands):

		Carrying Amount
Footnote Amounts:	Deposits	$ 413,482
	Investments	886,264
Less:	State Compensation Insurance Cash	(57,085)
	Warrants Payable	(87,501)
	Miscellaneous Other Cash	(92)
TOTAL Balance Sheet Cash and Investments		**$1,155,068**

At June 30, 1988 the State Treasurer had reverse repurchase agreements outstanding of $10,074,000 which included $29,000 in interest. These agreements are permitted by State statute. The proceeds were invested in a matched position investment which will net the State an additional $1,500 at the conclusion of the transaction. Highlight of the agreement is:

Agreement	Underlying Securities
$10,045,000 received to be repaid with interest of 7.0% on July 6, 1988.	$10,000,000 U.S. Treasury Notes maturing March 31, 1990; carrying value of $9,954,688 and market value of $10,045,000.

B. FIXED ASSETS

A summary of fixed assets by fund type follows (expressed in thousands):

	General Fixed Assets Account Group	Enterprise Funds	Internal Service Funds	Trust & Agency Funds	College & University Funds	Totals
Land & Improvements	$110,459	$ 2,942		$ 7,551	$ 76,499	$ 200,451
Buildings & Improvements	297,352	10,109	$ 157		697,616	1,005,234
Equipment	139,084	10,501	113,353	2,825	472,245	738,008
Construction in Progress	70,315	1,430			102,292	174,037
TOTAL	$620,210	$24,982	$113,510	$10,376	$1,348,652	$2,117,730
Less: Accumulated Depr.		(10,775)	(41,517)	(17)	(2,323)	(54,632)
	$620,210	**$14,207**	**$ 71,993**	**$10,359**	**$1,346,329**	**$2,063,098**

A statement of changes in general fixed assets for the year ended June 30, 1988 is shown below (expressed in thousands):

	Land & Improvements	Buildings & Improvements	Equipment	Construction In Progress	Totals
Balance: July 1, 1987	$123,473	$232,548	$137,740	$98,310	$592,071
Net Change	(10,014)	64,804	1,345	(27,996)	28,139
Balance: June 30, 1988	$113,459	$297,352	$139,085	$70,314	$620,210

C. SEGMENT INFORMATION

The State maintains enterprise funds with the principal activities being the lottery, guaranteed student loan program, and the prison industry program. Prior to July 1, 1987 the State Compensation Insurance was included as an enterprise fund, but is now the State Compensation Insurance Authority and is no longer reported as part of the State entity for financial reporting purposes. Segment information for the enterprise funds of the State for the year ended June 30, 1988 (expressed in thousands) is:

	Guaranteed Student Loan	State Lottery	Business Enterprise Program	State Nursing Homes	Correctional Indust.	Other Enterprise Activit.	Totals
Operating Revenue	$22,235	$92,503	$1,363	$9,697	$9,934	$4,632	$140,364
Depreciation	218	277	184	168	193	85	1,125
Operating Income	3,033	26,455	91	314	1,207	203	31,303
Operating Transfers-In				27	848	377	1,252
Transfers-Out		(35,000)					(35,000)
Net Income (Loss)	3,033	(8,545)	91	342	2,054	580	(2,445)
Net Increase in Prop., Plant, and Equip.	252	45	11	(6)	446	16	764
Total Assets	21,886	44,672	1,181	6,821	10,032	4,787	89,380
Bonds & Other Long-Term Liabilities	180	310	29	642	225	51	1,437
Fund Equity	17,939	35,000	1,064	5,865	9,215	4,376	73,460

D. INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 1988 are as follows (expressed in thousands):

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 9,967	$ 5,399
Special Revenue Funds:		
Highway	936	9,525
Capital Projects Funds:		
Regular Capital Construction	0	1,933
Enterprise Funds:		
Correctional Industries	434	2
Lottery	0	38
Guaranteed Student Loans	2	0
State Nursing Homes	335	1
Other	82	34
Internal Service Funds:		
Administration	80	13
Highway	8,892	0
Public Safety	0	1
Expendable Trust Funds:		
Unemployment Insurance	108	0
State Treasurer	3,130	2,134
Other	15	17
Nonexpendable Trust	10	0
Agency Funds:		
Taxes & Assessments	0	3,607
Other Agency Funds	150	45
College and University Funds	23,909	25,301
TOTALS	$48,050	$48,050

NOTE III. COMMITMENTS AND CONTINGENCIES

A. Changes in long-term liabilities of the State are summarized as follows (expressed in thousands):

	Proprietary Fund Types	Trust & Agency Funds	Long-Term Debt Accounts	College & University Funds	Totals
Beginning Balance July 1, 1987	$5,070	$140,585	$201,413	$254,080	$601,148
Obligations Issued				13,555	13,555
Obligations Retired	(168)			(10,504)	(10,672)
Increase (Decrease) in Compensated Absences	248	967	4,021	3,074	8,310
Increase (Decrease) in Other Liabilities:					
Capital Lease Obligations	3,687		(9,816)	6,946	817
Labor Fund Claims			(4,887)		(4,887)
Tax Refunds Payable			(532)		(532)
Unpaid Insurance Losses	(1,862)				(1,862)
Deferred Compensation Due Participants		11,241			11,241
Claimant Benefits		80			80
Deposits Held for Others		21,693			21,693
Ending Balance June 30, 1988	$6,975	$174,566	$190,199	$267,151	$638,891

B. TRANSFERS BETWEEN FUNDS

Major transfers between funds for the fiscal year ended June 30, 1988 were as follows (expressed in thousands):

Transfer	Amount
General Fund to Higher Education	$431,993
Capital Construction Fund to Higher Education	12,970
General Fund to Capital Construction Fund	28,265
Lottery to General Fund	17,500
Lottery to Capital Construction Fund	17,500
Public School Income Fund to General Fund	19,824
General Fund to Highway Fund	15,700
Highway Fund to General Fund	44,381
Unclaimed Property to General Fund	6,147
Land Board to State Treasury	6,586
Land Board to Department of Education	3,250
Other	5,772
TOTAL	$609,888

C. LEASE COMMITMENTS

The State may enter into lease or rental agreements for buildings or equipment. All leases contain clauses indicating that continuation of the lease is subject to funding by the legislature. It is reasonably assured that most of these leases will be renewed in the normal course of business. They are therefore treated as noncancelable for financial reporting purposes.

Future minimum payments at June 30, 1988 for existing leases were as follows (expressed in thousands):

Fiscal Year	Operating Leases	Capital Leases		
		Internal Service Funds	College & University Funds	General Long-Term Debt
1989	$12,299	$1,951	$ 20,253	$ 9,405
1990	9,816	1,714	18,867	8,759
1991	7,268	1,506	16,892	7,810
1992	5,739	522	16,418	7,622
1993	4,614	277	14,193	7,480
Thereafter	13,768	277	83,001	30,766
TOTAL Minimum Lease Payments	$53,504	6,247	169,624	71,842
Less Imputed Interest		(1,096)	(61,620)	(18,704)
Present Value of Minimum Lease Payments		$5,151	$108,004	$53,138

D. NOTES AND BONDS PAYABLE

Many institutions of higher education and the Trinidad State Nursing Home have issued bonds and notes for the purchase of equipment and construction of facilities. Specific user revenues are pledged for the payments of interest and future retirement of the obligations.

Annual maturities of the obligations are listed below (amounts expressed in thousands):

Fiscal Year	Bonds	Notes	Total
1989	$ 13,309	$ 177	$ 13,486
1990	13,186	177	13,363
1991	13,292	175	13,467
1992	13,423	167	13,590
1993	13,404	164	13,568
1994-1998	62,092	819	62,911
1999-2003	48,623	738	49,361
2004-2008	38,124	515	38,639
2009-2013	14,944	50	14,994
TOTAL Future Payments	230,397	2,982	233,379
Less Interest	(106,422)	(1,256)	(107,678)
TOTAL Principal Payments	$123,975	$1,726	$125,701

The State is not aware of any violations of any note or bond covenants by itself or any of its institutions at June 30, 1988 or subsequent to that date.

E. ACCRUED COMPENSATED ABSENCES LIABILITIES

All employees in permanent positions earned and accrued prior to June 30, 1988 sick leave at the rate of one and one-fourth days per month, with no limit on total days cumulative accrual. Employees are paid for one-fourth of their unused sick leave upon retirement.

Annual leave is earned at increasing rates based upon longevity. In no event can an employee accumulate more than 42 days of annual leave at the end of a fiscal year. Employees are paid 100% of their annual leave balance upon leaving state service.

Compensated absence liabilities related to the governmental funds are recorded in the Long-Term Debt Account Group. The current portion of the compensated absence liability accrual is not recognized in the governmental funds as it is not expected to be funded out of current available resources. For all other fund types, both current and long-term portions are recorded as individual fund liabilities.

F. OTHER LONG-TERM LIABILITIES

The following obligations, listed by fund type, represent amounts owed by the State at June 30, 1988 which are classified as Other Long-Term Liabilities on the balance sheet (amounts expressed in thousands):

	Fiduciary Fund Types	Long-Term Debt	Total
Claimant Benefits	$ 3,760		$ 3,760
Deferred Compensation Due Participants	54,169		54,169
Tax Refunds Payable		$ 943	943
Labor Fund Claims		80,393	80,393
Deposits Held for Others	115,660		115,660
TOTAL	$173,589	$81,336	$254,925

The State Employees and Officials Group Insurance Trust has recognized $2.8 million in liability for incurred but unreported claims. The Dependent Minor Trust is holding $1.0 million from workman's compensation awards for worker fatalities. Deposits held for others are held by various departments as refundable deposits and guarantees, funds held for residents in state run facilities, and funds held prior to being disbursed to citizens and entities within Colorado.

Tax refunds payable is the estimated amount for late filed tax returns which will be paid after one year.

Long-term liabilities against the Labor Fund are recorded in the General Long-Term Debt Group of Accounts. Estimated future payments are actuarially determined. Amounts are:

Major medical benefits	$66.7 million
Subsequent Injury	13.5 million
Medical Disaster	210.0 thousand

Benefits are expected to be funded through future revenues from a special tax on worker's compensation premiums, court awards and interest income.

G. DEFEASED DEBT

During Fiscal Year 1988 the Colorado School of Mines borrowed for twenty years $4,730,000 at an average interest rate of 7.47 percent to advance refund an equal amount of Series A 1984 Housing System Revenue Bonds. This was accomplished by depositing in escrow accounts a portion of the net proceeds of new bond issues an amount sufficient, together with known minimum yields from investment of such monies, to pay principal, interest, and any redemption premium on the refunded issues.

The advance refunding resulted in a reduction of $496,997 in debt service cash flows and an economic gain (the difference between the present values of the debt service payments on the old and new debt) of $233,600.

The balances of outstanding debt all in the College and University Funds at June 30, 1988 which have been placed in escrow type accounts with paying agents are listed as follows (amounts expressed in thousands):

University of Colorado	$67,975
Colorado School of Mines	4,730
Colorado State University	39,458
Fort Lewis College	7,357
University of Southern Colorado	3,395
University of Northern Colorado	5,770
Trinidad State Jr. College	740
TOTAL	**$129,425**

H. OUTSTANDING ENCUMBRANCES

Encumbrance accounting, under which purchase orders and contracts for expenditures of money are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Project funds. Encumbrances outstanding at year-end are not reported as a reservation of fund balances but are considered to be a commitment for the expenditure of available resources in future periods. However, certain appropriations which have been encumbered are allowed to roll-forward into the subsequent period and these encumbered appropriations are a reservation of fund balance.

On June 30, 1988, outstanding encumbrances in all funds amounted to $348.5 million. This amount included $236.5 million from the Special Revenue fund, $35.4 million from the Capital Projects Funds, $52.2 million from the General Fund, and the remainder from various other funds.

I. CONTINGENCIES

The State has established a self-insurance fund managed by the Risk Management Division of the Department of Administration. Operations of this division are recorded in the Internal Service Fund. Estimates for unpaid insurance losses are recorded as liabilities in this fund. Most of these claims are limited by the Colorado Governmental Immunity Act which sets upward limits of State liability at $150,000 per person and $400,000 per occurrence. Judgments awarded against the State for which there is no insurance coverage or are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

During FY 1988 the State recognized revenue of $9.75 million on unclaimed property turned over to the State. A payable in the amount of $3.25 million has been established to cover future claims on this property as the owners are identified. The State is liable for authentic claims on all of this property.

Many State agencies enter into various grant and contract agreements with the Federal government and other parties. These agreements generally provide for audits of the transactions pertaining to the agreements, with the State being liable to those parties for any disallowed expenditures. Audit disallowances and error sanctions in the Department of Social Services total approximately $22.8 million. The State is contesting the disallowances and their outcome is uncertain at this time.

The State is a defendant in numerous lawsuits involving claims of inadequate, negligent, or unconstitutional treatment of prisoners and mental patients. In some of these suits, plaintiffs are seeking or

have obtained certification of a class for a class action. Most of these cases involved allegations of actual damages that are not material but include allegations of punitive damages that may be material. In addition, numerous other cases are pending in which the plaintiffs allege that the State has deprived persons of their civil rights. In the aggregate, the monetary damages claimed (actual, punitive, and attorney's fees) in these cases would exceed the insurance coverage available by a material amount. The State believes it is highly unlikely that there will be actual awards of judgments in material amounts.

There are various other claims and litigations pending, incident to the operations of State government. The most significant involves a $680 million class action claim filed October 19, 1984 against the State Compensation Fund for bad faith insurance practice and other unclear negligent, intentionally outrageous conduct for the request for and issuance of an Attorney General's formal opinion regarding worker's compensation which is adverse to the claimants. The Court of Appeals ruled with the State in a prior decision which is currently under review by the State Supreme Court.

Another material case is between AT&T and the Department of Revenue concerning claimed exemption from sales tax on access charges paid on completing long distance phone calls. At risk is $28.5 million in taxes already collected that would have to be refunded by the General Fund. In addition, there exists a potential loss of $9 to $10 million in annual tax revenues from this sales tax.

The State believes it has a good chance of prevailing in both these cases, but the ultimate outcome cannot presently be determined. No provision for any liability that may result has been made in the financial statements. A report of significant pending litigation and claims prepared by the Colorado Attorney General's Office is available from the State Controller's Office.

NOTE IV. PENSION SYSTEM AND OBLIGATIONS

A. PLAN DESCRIPTION

Virtually all State of Colorado employees participate in a defined benefit retirement plan. The plan's purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost-sharing multiple-employer public employee retirement system administered by the Public Employees' Retirement Association (PERA), established by State statute in 1931. Total wages for FY 1988 for the State were $1,273 million and total covered wages were $1,029 million with a State contribution to PERA of $105.4 million and contributions to other pension plans of $16.1 million.

Employees contribute 8 percent (9 percent for state troopers) of their annual gross earnings subject to PERA to an individual account in the plan. The State contributed 10.2 percent (11.2 percent for state troopers) of the employee's salary during FY 1988 to the plan. For years prior to FY 1988 the State had contributed 12.2 percent and 13.2 percent respectively, and returned to those rates after FY 1988. The annual gross earnings subject to PERA is the gross earnings less any reduction in pay to offset employer contributions to the State sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

Employees are vested after five years of State service for which PERA contributions are made. Employees who terminate before becoming vested receive back their contributions made to the plan. Employees terminating after vesting may, if they desire, remain in the plan till eligible for retirement or withdraw their contributions and terminate their individual accounts. Any employee withdrawing from PERA and receiving a refund of their contributions receives no interest on their account.

Benefits are calculated as a percentage of highest average salary (HAS) of the three highest annual salaries earned during calendar year periods on which contributions were made. Service retirement benefits are calculated at 2.5 percent of HAS for each year of service through 20 years, and 1.25 percent of HAS for each year between 20 and 40 years of service with a maximum benefit of 75 percent of HAS. Plan members are eligible to retirement benefits at age 55 with 30 years of service, age 60 with 20 years of service, or at age 65 with 5 years of service. State Troopers are eligible for retirement benefits at age 55 with 20 years of service or any age with 30 years of service.

Members may receive reduced retirement benefits as early as age 55 with 20 years of service or at age 60 with 5 years of service. Reduced retirement is calculated the same as the regular retirement except for the reduction of 0.333 percent (4 percent per year) for each month the employee retires prior to being eligible for the regular retirement benefit.

Members disabled who have five or more years of service credit may receive retirement benefits if determined to be permanently disabled. Spouses and eligible children under the age of 18 of members who die before retirement are entitled to monthly benefit payments. If the employee had less than 10 years service credit then the surviving spouse receives a monthly benefit at age 60 or immediately if the employee had more than 10 years service credit.

B. PLAN CHANGES

In the 1987 session of the General Assembly the plan was modified as follows:

A permanent change was made to the benefit reduction formula to reduce the annual reduction percentage from 7 percent to 4 percent;

An increase in the percent of the HAS from 1 to 1.25 percent for each year of service over 20 to a maximum of 75 percent;

A second effective date of November 1 for annual benefit increases; and

A temporary early retirement provision which allowed members 55 and over whose age plus service equaled 75 or greater to retire with a full retirement benefit if they did so during July and August of 1987.

C. FUNDING STATUS AND PROGRESS

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended, on an ongoing basis, to facilitate the assessment of the plan's funding status and progress in accumulating sufficient assets to pay benefits when due and to allow for appropriate comparisons of this data among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligation was determined as part of an actuarial valuation of the Plan as of December 31, 1987. It is the standardized disclosure measure prepared in accordance with Governmental Accounting Standards Board Statement No. 5. Significant actuarial assumptions used to determine the pension benefit obligation include:

A rate of return on the investment of present and future assets of 7.5 percent compounded annually;

Projected salary increases of 5.5 percent compounded annually attributable to inflation and 0 to 7.4 percent per year, depending on age, attributable to longevity or merit; and

Projected benefit increases ranging from 1.5 to 3 percent per year after retirement.

At December 31, 1987 assets in excess (or less than) of pension obligation for the State Division of PERA were (expressed in thousands):

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits	$1,318,824
Terminated members not yet receiving benefits	17,234
Current members:	
Accumulated member contributions including allocated investment income	480,845
Employer financed - vested	1,146,196
Employer financed - nonvested	43,677
TOTAL pension benefit obligation	3,006,776
Net assets available for benefits, at fair market value (allocated)	2,764,035
Assets in excess of (or less than) pension benefit obligation	$ (242,741)

Employer contributions are determined using the entry age normal actuarial cost method with amortization of the unfunded actuarial liability over 30 years which is less than the 60 years set by State statute. The actuarially determined contributions for December 31, 1987 consisted of (expressed in thousands):

	Amount	% of Current Covered Payroll
Employer normal cost	$131,169	13.10
Amortization in 30 years of unfunded actuarial liability	26,634	2.66
Amortization of supplemental benefits:		
Disability retirements	16,822	1.68
Cost of living stabilization fund	20,026	2.00
Health care fund	8,010	0.80
Employee Contribution	(80,303)	(8.02)
Statutory employer contribution	$122,358	12.22

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation as previously described. Progress in funding the unfunded actuarial liability can be shown by the following summary:

(Dollar amounts are in millions)

Calendar Year	(1) Net Assets Available For Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) UPBO Unfunded Pension Benefit Obligation	(5) Annual Covered Payroll	(6) UPBO as percent of of Covered Payroll (4)/(5)
1987	$2,764	$3,007	91.9%	$243	$1,001	24.2

D. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Ten year historical trend information is available in reports issued by PERA. Membership and benefit statistics are:

At December 31, 1987	State Division	School Division	Municipal Division	Judicial Division	Total
Active Membership	36,244	57,151	7,167	236	100,808
Retired Membership	13,371	13,942	1,344	144	28,801
Retired during 1987	1,432	1,501	163	20	3,116
Total benefits paid 1987 (000)	$121,212	$114,472	$10,156	$2,052	$247,892
Average monthly benefit:					
All retirees	815	746	690	1,268	778
Retired in 1987	1,130	1,036	945	1,609	1,078
Pension benefit obligation (000)	3,006,776	3,809,560	352,789	41,320	7,210,454
Net assets available for benefits	2,764,035	3,827,629	363,291	39,720	6,994,675
Assets in excess of (or less than) pension benefit obligation	(242,741)	18,069	10,493	(1,600)	(215,779)

E. OTHER RETIREMENT PLANS

Presidents, deans, professors, and instructors in State educational institutions are enrolled in the Teachers Insurance and Annuity Association (TIAA). The State's contribution to TIAA for the years ended June 30, 1987 and June 30, 1988 were $5.8 million and $6.5 million respectively. The State's legal obligation is limited to the amounts paid to TIAA. Faculty members at the University of Colorado are also under Social Security. Contributions for FICA for the same years were $6.4 million and $7.1 million respectively. Faculty at Colorado State University are exclusively covered by PERA.

F. EMPLOYEE DEFERRED COMPENSATION

The State initiated a deferred compensation plan for state employees in 1981. This plan has a third party administrator and all costs of administration and funding are borne by the plan participants. Investments and accumulated earnings of the plan at June 30, 1987 and June 30, 1988 totaled $42.9 million and $54.2 million respectively.

Assets in the plan remain the property of the State until paid or made available to the participants, subject only to the claims of the State's general creditors. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State never has nor does it believe that it will have to use the assets to satisfy any claims of its general creditors.

G. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. Under this program PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from the monthly retirement benefit. During 1987, the subsidy was $4.35 per month for each year of service credit up to a maximum of $87.01 per month. The Health Care Fund is maintained by a contribution of 0.8 percent of covered salary.

Monthly premium costs for participants depend on the health care plan selected, the number of persons being covered and Medicare eligibility. PERA uses Blue Cross and Blue Shield of Colorado and seven health maintenance organizations. At December 31, 1987 60 percent of eligible participants were enrolled in this program.

PERA provides its members access to two group life insurance plans offered by Prudential and New York Life. Members may join one or both plans, and may continue coverage into retirement. Premiums are paid monthly by payroll deduction.

Separate post-retirement health care and life insurance benefit plans exist in some State colleges and universities but are small in comparison to the State plan for classified employees.

NOTE V. SUBSEQUENT EVENTS

A. NOTE ISSUANCE

On July 1, 1988, the State issued $190 million in General Fund Tax and Revenue Anticipation Notes, Series 1988. These notes are exempt from federal taxation and carry an interest rate of 6.0%. The notes were issued to fund the State's anticipated cash flow deficit for the fiscal year which will end June 30, 1989. The proceeds of the sale were deposited in the General Fund to be used to meet ordinary disbursements of the State. Issuance of the notes was authorized by the Funds Management Act of 1986 and under the law they must be repaid by June 27, 1989.

On September 15, 1988 the State issued $63.2 million in Certificates of Participation of the Master Lease Purchase Agreement for its correctional facilities project including the addition to the Shadow Mountain Facility in Fremont County, the building of a 500 bed medium security facility near Limon, and the building of a 336 bed diagnostic correctional facility in Denver.

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is the principal operating fund of the State. It is used to account for all governmental financial resources and transactions not accounted for in another fund.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE — BUDGET AND ACTUAL — GENERAL FUND FOR THE YEAR ENDED JUNE 30, 1988 (Dollars in Thousands)

	Original Estimate/Budget	Revised Estimate/Budget	FY87-88 Actual	General Fund Reversions
REVENUES:				
Sales and Use Taxes	$754,200	$720,500	$724,645	
Other Excise Taxes	90,700	88,500	89,513	
Individual Income Tax, net	1,138,000	1,165,200	1,194,957	
Corporate Income Tax, net	173,400	135,200	112,911	
Estate Tax	15,000	14,500	13,413	
Insurance Tax	92,200	84,700	80,695	
Parimutuel, Courts & Other	41,200	44,600	54,771	
Interest Earnings	4,600	4,000	5,853	
Severance Tax	8,300	6,800	7,115	
TOTAL GENERAL PURPOSE REVENUES	$2,317,600	$2,264,000	$2,283,874	
EXPENDITURES:				
Administration	$17,259	$13,205	$12,272	$933
Agriculture	5,340	5,434	5,329	105
Corrections	75,966	77,533	77,180	353
Education	904,545	900,577	899,245	1,332
Governor/OSPB	2,876	3,097	3,039	58
Health	23,419	23,578	23,327	250
Higher Education	441,070	439,539	438,663	876
Institutions	118,338	118,635	117,702	933
Judicial	87,108	89,484	88,855	629
Law	3,906	3,978	3,769	209
Legislature	16,841	16,470	15,065	1,405
Local Affairs	7,961	10,297	10,069	228
Military Affairs	1,512	1,559	1,559	1
Natural Resources	14,848	15,038	15,033	5
Personnel	3,410	3,467	3,464	3
Public Safety	14,521	16,017	15,936	81
Regulatory Agencies	7,211	7,322	7,139	183
Revenue	21,982	22,315	21,964	351
Social Services	304,593	339,645	339,994	(349)
Treasury	1,495	1,682	1,568	114
Capital Construction Fund Transfer	27,632	27,573	27,573	–
Highway Users Tax Fund Transfer	40,000	15,700	15,700	–
TOTAL GENERAL FUNDED EXPENDITURES	$2,141,835	$2,152,145	$2,144,445	$7,700
Excess General Revenues over General Fund Expenditures	$175,765	$111,855	$139,429	
Excess Augmenting Revenues	–	–	2,065	
Less: Rebates	(132,300)	(88,300)	(86,016)	
Increase in Inventory Reserve	–	–	(300)	
Excess Net Revenues	$43,465	$23,555	$55,178	
Beginning Unreserved Fund Balance	45,141	45,141	45,141	
Residual Equity Transfer-In	–	–	5	
Ending Unreserved Fund Balance	$88,606	$68,696	$100,324	

SPECIAL REVENUE FUNDS

HIGHWAY

Expenditures of this fund are primarily for the construction and maintenance of public highways, while revenues are from excise taxes on motor fuels, driver and vehicle registration fees, and ton-mile taxes.

WILDLIFE

Expenditures of this fund are used to preserve the State's wildlife and promote outdoor recreational facilities, while revenues are from hunting and fishing license fees as well as various fines.

LABOR

This fund accounts for various medical benefits for injured workers allowable by statute which their workmen's compensation benefits do not cover.

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 1988
(Dollars in Thousands)

	HIGHWAY	WILDLIFE	LABOR	TOTALS
ASSETS:				
Cash and Short-Term Investments	$133,310	$13,781	$1,287	$148,378
Taxes Receivable, net	37,957	–	–	37,957
Other Receivables, net	2,394	493	–	2,887
Due From Other Governments	47,106	3,869	–	50,975
Due From Other Funds	936	–	–	936
Inventories	16,705	1,087	–	17,792
Other Current Assets	97	273	–	370
TOTAL ASSETS	$238,504	$19,504	$1,287	$259,295
LIABILITIES:				
Accounts Payable and Accruals	$38,575	$1,362	$10,683	$50,420
Due to Other Governments	33,244	–	–	33,244
Due to Other Funds	9,525	–	–	9,525
Deferred Revenue	2,260	10,866	–	13,126
TOTAL LIABILITIES	83,603	12,028	10,683	106,314
FUND EQUITY:				
Fund Balances:				
Reserved for:				
Other Specific Purposes	154,902	7,476	(9,396)	152,981
TOTAL FUND EQUITY	154,902	7,476	(9,396)	152,981
TOTAL LIABILITIES AND FUND EQUITY	$238,504	$19,504	$1,287	$259,295

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	HIGHWAY	WILDLIFE	LABOR	TOTALS
REVENUES:				
Taxes	$312,910	$1,111	$58	$314,079
Licenses, Permits, and Fines	80,742	29,828	–	110,570
Charges for Goods and Services	310	440	–	749
Interest and Rents	1,590	1,017	418	3,025
Federal Grants and Contracts	216,167	4,575	–	220,742
Other	24,658	1,479	251	26,387
TOTAL REVENUES	636,377	38,449	727	675,553
EXPENDITURES:				
Current:				
General Government	7,819	–	–	7,819
Business, Community and Consumer Affairs	–	–	10,632	10,632
Justice	29,675	–	–	29,675
Natural Resources	–	37,247	–	37,247
Transportation	399,526	–	–	399,526
Capital Outlay	33,421	1,877	1	35,299
Intergovernmental:				
Cities	50,140	–	–	50,140
Counties	78,461	85	–	78,546
Special Districts	4,367	296	–	4,663
TOTAL EXPENDITURES	603,408	39,506	10,633	653,547
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	32,969	(1,057)	(9,906)	22,006
OTHER FINANCING SOURCES (USES):				
Operating Transfers-In	15,700	–	–	15,700
Operating Transfers-Out	(44,381)	–	–	(44,381)
TOTAL OTHER FINANCING SOURCES (USES)	(28,681)	–	–	(28,681)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,287	(1,057)	(9,906)	(6,676)
FUND BALANCE, JULY 1	150,614	8,533	510	159,657
FUND BALANCE, JUNE 30	$154,902	$7,476	($9,396)	$152,981

CAPITAL PROJECTS FUNDS

REGULAR CAPITAL CONSTRUCTION

This fund accounts for the construction and maintenance projects for State buildings which are financed primarily from revenue sources appropriated by the Legislature. These include transfers from the general fund, lottery fund, and may include matching federal funds.

SPECIAL CAPITAL CONSTRUCTION

This fund also accounts for State building projects, but are financed from non-appropriated financing sources such as private grants and donations as well as federal grants.

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 1988
(Dollars In Thousands)

	REGULAR CAPITAL CONSTRUCTION	SPECIAL CAPITAL CONSTRUCTION	TOTALS
ASSETS:			
Cash and Short-Term Investments	$60,604	$85,260	$145,864
Other Receivables, net	–	1,082	1,082
Due From Other Governments	1,805	349	2,155
Other Current Assets	6,000	–	6,000
Other Long-Term Assets	–	44,442	44,442
TOTAL ASSETS	$68,409	$131,133	$199,542
LIABILITIES:			
Accounts Payable and Accruals	$5,494	$309	$5,803
Due to Other Funds	1,933	–	1,933
Deferred Revenue	5,832	492	6,324
TOTAL LIABILITIES	13,259	801	14,061
FUND EQUITY:			
Fund Balances:			
Reserved for:			
Encumbrances	47,886	–	47,886
Other Specific Purposes	–	130,332	130,332
Unreserved:			
Designated for Capital Construction	7,264	–	7,264
TOTAL FUND EQUITY	55,150	130,332	185,482
TOTAL LIABILITIES AND FUND EQUITY	$68,409	$131,133	$199,542

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	REGULAR CAPITAL CONSTRUCTION	SPECIAL CAPITAL CONSTRUCTION	TOTALS
REVENUES:			
Taxes	$2,176	$ –	$2,176
Licenses, Permits, and Fines	4,496	7	4,503
Charges for Goods and Services	1,984	–	1,984
Interest and Rents	3,695	12,316	16,011
Federal Grants and Contracts	3,834	5,168	9,001
Other	2,920	178	3,098
TOTAL REVENUES	19,105	17,669	36,774
EXPENDITURES:			
Capital Outlay	44,714	18,958	63,672
Intergovernmental:			
Cities	523	327	850
Counties	59	143	202
School Districts	–	13	13
Special Districts	300	94	394
Federal	1,306	–	1,306
TOTAL EXPENDITURES	46,901	19,535	66,436
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,796)	(1,866)	(29,662)
OTHER FINANCING SOURCES (USES):			
Operating Transfers–In	45,765	–	45,765
Operating Transfers–Out	(13,686)	–	(13,686)
TOTAL OTHER FINANCING SOURCES (USES)	32,079	–	32,079
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,283	(1,866)	2,417
FUND BALANCE, JULY 1	50,867	132,198	183,065
FUND BALANCE, JUNE 30	$55,150	$130,332	$185,482

ENTERPRISE FUND

This fund accounts for the self-sustaining operations of State agencies which provide services to the general public on a user charge basis. The major activities in this fund are:

GUARANTEED STUDENT LOAN

This activity comprises the Colorado Student Loan Division which guarantees loans made by private lending institutions to students attending postsecondary schools, in compliance with operating agreements with the U.S. Department of Education. It also includes loan programs for Colorado residents which are not reinsured by the Federal government.

STATE LOTTERY

This activity encompasses the various lottery games the State runs under the authority of State statute. The net proceeds are used to support State construction projects and augment the General Fund.

BUSINESS ENTERPRISE PROGRAM

This activity comprises the food vending stands run by the visually impaired under the supervision and guidance of the Department of Social Services.

STATE NURSING HOMES

This activity is for nursing home and retirement care provided to the elderly at the State facilities at Homelake, Florence, Rifle, and Trinidad.

CORRECTIONAL INDUSTRIES

This activity is for the production and sale of manufactured goods and farm products produced by convicted criminals who are being rehabilitated in the State prison system.

OTHER ENTERPRISE ACTIVITIES

The other enterprise activities of the State include employee parking operations, surplus property disposal, and miscellaneous canteen operations at various State institutions.

COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 1988
(Dollars in Thousands)

	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
ASSETS:				
Cash and Short-Term Investments	$15,946	$41,212	$386	$2
Other Receivables, net	469	822	48	159
Due From Other Governments	4,687	–	–	370
Due From Other Funds	2	–	–	335
Inventories	50	1,627	16	209
Other Current Assets	33	15	182	–
Property, Plant and Equipment, net	676	996	548	5,745
Other Long-Term Assets	23	–	–	–
TOTAL ASSETS	$21,886	$44,672	$1,181	$6,821
LIABILITIES:				
Net Liability to Pooled Cash	$91	$ –	$ –	$ –
Accounts Payable and Accruals	1,843	5,431	87	313
Due to Other Governments	1,834	–	–	–
Due to Other Funds	–	38	1	–
Deferred Revenue	–	3,894	–	–
Bonds and Notes Payable	–	–	–	335
Accrued Compensated Absences	180	310	29	307
TOTAL LIABILITIES	3,947	9,672	117	956
FUND EQUITY:				
Contributed Capital	15	–	–	3,630
Unreserved Retained Earnings	17,924	35,000	1,064	2,236
TOTAL FUND EQUITY	17,939	35,000	1,064	5,866
TOTAL LIABILITIES AND FUND EQUITY	$21,886	$44,672	$1,181	$6,821

CORRECTIONAL INDUSTRIES	OTHER ENTERPRISE ACTIVITIES	TOTALS
$2,923	$1,133	$61,602
274	10	1,783
36	209	5,302
434	82	853
3,103	331	5,337
2	6	238
3,226	3,017	14,207
34	–	57
$10,032	$4,787	$89,380
$ –	$ –	$91
590	262	8,526
–	–	1,834
2	34	74
–	64	3,958
–	–	335
225	51	1,102
817	411	15,920
5,629	1,363	13,637
3,586	3,013	62,822
9,215	4,376	73,460
$10,032	$4,787	$89,380

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
OPERATING REVENUES:				
Licenses, Permits, and Fines	$ -	$88	$ -	$ -
Charges for Goods & Services	3,821	90,053	709	4,949
Interest & Rents	387	2,362	118	6
Federal Grants & Contracts	17,237	-	535	1,319
Other	789	-	-	3,423
TOTAL OPERATING REVENUES	22,235	92,503	1,363	9,697
OPERATING EXPENSES:				
Salaries & Fringe Benefits	3,123	9,962	513	6,912
Operating	2,532	9,314	390	2,020
Depreciation	218	277	184	168
Travel	83	130	1	12
Intergovernmental	433	-	-	-
Prizes	-	46,018	-	-
Other	12,812	347	184	270
TOTAL OPERATING EXPENSES	19,202	66,048	1,272	9,383
INCOME (LOSS) BEFORE OPERATING TRANSFERS	3,033	26,455	91	314
OPERATING TRANSFERS:				
Operating Transfers-In	-	-	-	27
Operating Transfers-Out	-	(35,000)	-	-
NET INCOME/CHANGE IN RETAINED EARNINGS	3,033	(8,545)	91	342
FUND EQUITY, JULY 1	14,906	43,545	973	5,524
FUND EQUITY, JUNE 30	$17,939	$35,000	$1,064	$5,866

CORRECTIONAL INDUSTRIES	OTHER ENTERPRISE ACTIVITIES	TOTALS
$ -	$ -	$88
9,742	3,860	113,134
-	197	3,071
119	-	19,210
73	575	4,861
9,934	4,632	140,364
2,333	844	23,688
5,843	3,366	23,465
193	85	1,125
22	9	257
-	7	440
-	-	46,018
336	118	14,067
8,727	4,429	109,060
1,207	203	31,303
848	377	1,252
-	-	(35,000)
2,054	580	(2,445)
7,161	3,796	75,905
$9,215	$4,376	$73,460

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
SOURCES OF WORKING CAPITAL:				
Operations:				
Net Income	$3,033	($8,545)	$91	$342
Item Not Requiring Working Capital:				
Depreciation	218	277	184	168
Working Capital Provided by Operations	3,251	(8,268)	275	510
Net Increase In:				
Accrued Compensated Absences	51	61	2	52
TOTAL SOURCES OF WORKING CAPITAL	3,302	(8,207)	277	563
USES OF WORKING CAPITAL:				
Net Increase In:				
Property, Plant and Equipment	470	322	195	163
Other Long-Term Assets	–	–	–	–
Net Decrease In:				
Accrued Compensated Absences	–	–	–	–
Bonds and Notes Payable	68	–	–	100
TOTAL USES OF WORKING CAPITAL	538	322	195	263
NET INCREASE (DECREASE) IN WORKING CAPITAL	$2,764	($8,529)	$82	$300
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash and Short-Term Investments	($2,888)	($7,094)	$8	($295)
Investments	–	–	–	–
Receivables, net	152	(596)	1	41
Due From Other Governments	2,124	–	–	39
Due From Other Funds	(456)	–	–	216
Inventories	50	557	3	28
Other Current Assets	6	(218)	10	–
Liability to Pooled Cash	(91)	–	–	266
Accounts Payable and Accruals	(359)	(47)	60	4
Due to Other Governments	3,767	–	–	–
Due to Other Funds	458	(33)	(1)	–
Deferred Revenue	–	(1,099)	–	–
NET INCREASE (DECREASE) IN WORKING CAPITAL	$2,764	($8,529)	$82	$300

CORRECTIONAL INDUSTRIES	OTHER ENTERPRISE ACTIVITIES	TOTALS
$2,054	$580	($2,445)
193	85	1,125
2,247	665	(1,319)
–	4	169
2,247	669	(1,150)
639	101	1,889
34	–	34
179	–	179
–	–	168
852	101	2,269
$1,396	$569	($3,418)
$1,206	$558	($8,505)
–	(76)	(76)
89	–	(312)
(46)	(9)	2,108
(105)	63	(282)
287	91	1,017
1	4	(197)
–	–	175
(41)	(155)	(538)
–	–	3,767
(2)	67	490
6	27	(1,066)
$1,396	$569	($3,418)

INTERNAL SERVICE FUNDS

ADMINISTRATION

This fund accounts for the sales of goods and services to other State agencies. The sales items include mail services, printing, quick copy, motor pool, graphic design, microfilming, word processing, and office supplies. The Risk Management operation is also recorded in this fund.

HIGHWAY

This fund records the use and replacement of highway equipment used by the Highway Department. Funding is from user charges made to the Highway Users Trust Fund, a special revenue fund.

PUBLIC SAFETY

This fund accounts for the rental of aircraft to other State agencies and to other funds within the Department of Public Safety.

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 1988
(Dollars in Thousands)

	ADMINISTRATION	HIGHWAYS	PUBLIC SAFETY	TOTALS
ASSETS:				
Cash and Short-Term Investments	$ -	$ -	$160	$160
Other Receivables, net	1	-	-	1
Due From Other Governments	174	8	9	191
Due From Other Funds	71	8,892	-	8,963
Inventories	761	662	-	1,424
Other Current Assets	52	-	1	52
Property, Plant and Equipment, net	15,649	55,895	448	71,993
TOTAL ASSETS	$16,709	$65,458	$617	$82,784
LIABILITIES:				
Net Liability to Pooled Cash	$1,625	$ -	$ -	$1,625
Accounts Payable and Accruals	2,903	944	67	3,914
Due to Other Funds	13	-	1	14
Deferred Revenue	51	-	-	51
Capital Lease Obligations	3,769	1,383	-	5,151
Accrued Compensated Absences	386	-	-	386
TOTAL LIABILITIES	8,747	2,327	68	11,142
FUND EQUITY:				
Contributed Capital	4,804	42,461	-	47,265
Unreserved Retained Earnings	3,157	20,671	549	24,377
TOTAL FUND EQUITY	7,961	63,131	549	71,642
TOTAL LIABILITIES AND FUND EQUITY	$16,709	$65,458	$617	$82,784

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	ADMINISTRATION	HIGHWAYS	PUBLIC SAFETY	TOTALS
OPERATING REVENUES:				
Charges for Goods & Services	$22,478	$24,749	$205	$47,431
Interest & Rents	244	1,234	–	1,479
Other	5,164	3,486	24	8,674
TOTAL OPERATING REVENUES	27,886	29,469	229	57,584
OPERATING EXPENSES:				
Salaries & Fringe Benefits	8,949	7,371	20	16,340
Operating	13,658	11,169	207	25,035
Depreciation	3,252	5,509	63	8,824
Travel	11	6	1	18
Other	1,739	(19)	–	1,721
TOTAL OPERATING EXPENSES	27,609	24,037	292	51,938
INCOME (LOSS) BEFORE OPERATING TRANSFERS	277	5,432	(63)	5,646
OPERATING TRANSFERS:				
Operating transfers-In	386	–	–	386
NET INCOME/CHANGE IN RETAINED EARNINGS	663	5,432	(63)	6,032
FUND EQUITY, JULY 1	7,303	57,699	612	65,615
Net Residual Equity Transfers-In (Out)	(5)	–	–	(5)
FUND EQUITY, JUNE 30	$7,961	$63,131	$549	$71,642

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	ADMINISTRATION	HIGHWAYS	PUBLIC SAFETY	TOTALS
SOURCES OF WORKING CAPITAL:				
Operations:				
Net Income	$663	$5,432	($63)	$6,032
Item Not Requiring Working Capital:				
Depreciation	3,252	5,509	63	8,824
Working Capital Provided by Operations	3,915	10,942	–	14,857
Net Increase In:				
Capital Lease Obligations	3,536	152	–	3,687
Accrued Compensated Absences	257	–	–	257
Beginning Fund Equity	4,805	–	–	4,806
TOTAL SOURCES OF WORKING CAPITAL	12,513	11,093	–	23,607
USES OF WORKING CAPITAL:				
Net Increase In:				
Property, Plant and Equipment	10,574	5,558	–	16,133
Residual Equity Transfers Out	5	–	–	5
TOTAL USES OF WORKING CAPITAL	10,579	5,558	–	16,138
NET INCREASE (DECREASE) IN WORKING CAPITAL	$1,934	$5,535	$ –	$7,469
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash and Short-Term Investments	$ –	$ –	$43	$43
Due From Other Governments	174	8	3	185
Due From Other Funds	(509)	5,483	–	4,974
Inventories	72	190	–	263
Other Current Assets	43	(30)	(2)	11
Liability to Pooled Cash	2,342	–	–	2,342
Accounts Payable and Accruals	(495)	(117)	(43)	(655)
Due to Other Funds	(8)	–	(1)	(9)
Deferred Revenue	316	–	–	316
NET INCREASE (DECREASE) IN WORKING CAPITAL	$1,934	$5,535	$ –	$7,469

TRUST AND AGENCY FUNDS

The Trust and Agency Funds are used to account for assets held by the State in a fiduciary capacity. The major components of these funds are:

EXPENDABLE TRUST FUNDS

STATE TREASURER

This fund is used to record various trust items managed by the State Treasurer's Office, principally, the severance tax trust accounts, escheat accounts, and the public school income moneys.

LAND BOARD

This fund accounts for the disposition of revenues from State land, surface leases, oil and timber sales.

VICTIMS COMPENSATION

This accounts for moneys received as a surcharge on fines levied in State courts and distributed to crime victims.

STATE EMPLOYEES AND OFFICIALS INSURANCE

This fund accounts for the self-insured health insurance for State employees which is administered by Blue Cross and Blue Shield, and for the life insurance for State workers obtained from Prudential Insurance Company.

AGENCY FUNDS

These funds are held in custody for others. Major items include: judicial and highway contractors escrow accounts, sales taxes collected for cities and counties, deposits held to insure land restoration by miners, assets held for a water and power authority, and deferred compensation funds deposited by State employees.

NONEXPENDABLE TRUST FUNDS

This consists mainly of money received from the proceeds of lands granted to the State by the Federal government for educational purposes.

COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES
JUNE 30, 1988
(Dollars in Thousands)

	EXPENDABLE TRUST	NONEXPENDABLE TRUST	AGENCY	TOTALS
ASSETS:				
Cash and Short-Term Investments	$156,955	$52,206	$92,754	$301,915
Investments	–	119,390	97,470	216,860
Taxes Receivable, net	71,296	–	26,726	98,022
Other Receivables, net	6,256	–	11	6,267
Due From Other Governments	4,640	1,146	72	5,857
Due From Other Funds	3,253	10	150	3,413
Inventories	2	–	–	2
Other Current Assets	215	–	–	215
Property, Plant and Equipment, net	2,808	7,551	–	10,359
Other Long-Term Assets	–	4,636	–	4,636
TOTAL ASSETS	$245,423	$184,939	$217,183	$647,545
LIABILITIES:				
Accounts Payable and Accruals	$14,066	$ –	$ –	$14,066
Due to Other Governments	1,870	–	42,751	44,621
Due to Other Funds	2,151	–	3,652	5,804
Deferred Revenue	4,645	9	–	4,654
Accrued Compensated Absences	977	–	–	977
Other Liabilities	2,810	–	170,779	173,589
TOTAL LIABILITIES	26,519	9	217,183	243,711
FUND EQUITY:				
Fund Balances:				
Reserved for:				
Other Specific Purposes	218,904	184,930	–	403,834
TOTAL FUND EQUITY	218,904	184,930	–	403,834
TOTAL LIABILITIES AND FUND EQUITY	$245,423	$184,939	$217,183	$647,545

COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 1988
(Dollars in Thousands)

	VICTIMS COMPENSATION	UNEMPLOYMENT INSURANCE	LAND BOARD	STATE TREASURER
ASSETS:				
Cash and Short-Term Investments	$3,999	$117,952	$400	$23,351
Taxes Receivable, net	–	71,296	–	–
Other Receivables, net	–	2,585	–	2,134
Due From Other Governments	–	4,495	–	–
Due From Other Funds	–	108	–	3,130
Inventories	–	–	–	–
Other Current Assets	–	–	153	–
Property, Plant and Equipment, net	–	–	–	–
TOTAL ASSETS	$3,999	$196,436	$554	$28,615
LIABILITIES:				
Accounts Payable and Accruals	$14	$8,169	$6	$3,283
Due to Other Governments	–	1,870	–	–
Due to Other Funds	1	–	–	2,134
Deferred Revenue	–	116	3,486	–
Accrued Compensated Absences	–	950	–	–
Other Liabilities	–	–	–	–
TOTAL LIABILITIES	15	11,106	3,492	5,417
FUND EQUITY:				
Fund Balances:				
Reserved for:				
Other Specific Purposes	3,985	185,330	(2,939)	23,198
TOTAL FUND EQUITY	3,985	185,330	(2,939)	23,198
TOTAL LIABILITIES AND FUND EQUITY	$3,999	$196,436	$554	$28,615

STATE EMPLOYEES & OFFICIALS INSURANCE	OTHER EXPENDABLE TRUSTS	TOTALS
$3,325	$7,927	$156,955
–	–	71,296
–	1,536	6,256
–	144	4,640
–	14	3,253
–	2	2
63	–	215
–	2,808	2,808
$3,388	$12,431	$245,423
$2,201	$392	$14,066
–	–	1,870
–	16	2,151
1,024	19	4,645
13	13	977
2,810	–	2,810
6,048	440	26,519
(2,661)	11,991	218,904
(2,661)	11,991	218,904
$3,388	$12,431	$245,423

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	VICTIMS COMPENSATION	UNEMPLOYMENT INSURANCE	LAND BOARD	STATE TREASURER
REVENUES:				
Taxes	$ -	$225,730	$ -	$ -
Licenses, Permits, and Fines	3,268	-	-	-
Charges for Goods and Services	-	-	-	-
Interest and Rents	-	429	7,358	13,237
Federal Grants and Contracts	-	8,480	-	-
Other	4,380	7,727	41	9,986
TOTAL REVENUES	7,648	242,367	7,399	23,223
EXPENDITURES:				
Current:				
General Government	-	-	-	3,808
Business, Community and Consumer Affairs	-	-	-	-
Education	-	-	-	-
Health and Rehabilitation	-	-	-	-
Justice	7,329	-	-	-
Natural Resources	-	-	247	-
Social Assistance	-	195,841	-	-
Capital Outlay	-	123	-	31
Intergovernmental:				
Cities	-	-	-	-
School Districts	-	-	-	-
Federal	-	7	-	-
TOTAL EXPENDITURES	7,329	195,971	247	3,839
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	319	46,396	7,152	19,385
OTHER FINANCING SOURCES (USES):				
Operating Transfers-In	-	-	393	6,586
Operating Transfers-Out	-	-	(10,783)	(25,971)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(10,390)	(19,385)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	319	46,396	(3,238)	(1)
FUND BALANCE, JULY 1	3,665	138,935	299	23,198
FUND BALANCE, JUNE 30	$3,985	$185,330	($2,939)	$23,198

STATE EMPLOYEES & OFFICIALS INSURANCE	OTHER EXPENDABLE TRUSTS	TOTALS
$ –	$ –	$225,730
–	2,810	6,078
13,316	171	13,488
240	362	21,626
–	1,478	9,957
1	1,216	23,352
13,557	6,037	300,232
16,619	526	20,953
–	1,178	1,178
–	351	351
–	1,619	1,619
–	1,947	9,276
–	30	277
–	105	195,946
–	68	222
–	550	550
–	1	1
–	–	7
16,619	6,375	230,380
(3,061)	(338)	69,852
–	1,258	8,237
–	–	(36,754)
–	1,258	(28,517)
(3,061)	919	41,335
401	11,071	177,569
($2,661)	$11,991	$218,904

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES — ALL AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 1988 (Dollars in Thousands)

	BALANCE JULY 1	NET CHANGE	BALANCE JUNE 30
TAXES AND ASSESSMENTS COLLECTED FOR OTHER FUNDS:			
ASSETS:			
Cash and Short-Term Investments	$21,690	($1,023)	$20,667
Taxes Receivable, net	26,540	186	26,726
Total Assets	$48,230	($836)	$47,394
LIABILITIES:			
Due to Other Governments	$40,173	$2,374	$42,547
Due to Other Funds	4,507	(900)	3,607
Amounts Held for Others	3,550	(2,310)	1,240
Total Liabilities	$48,230	($836)	$47,394
WATER AUTHORITY, MINERAL LEASE, AND OTHER COLLECTIONS FUND:			
ASSETS:			
Cash and Short-Term Investments	$11,568	($2,320)	$9,248
Investments	36,051	7,206	43,257
Total Assets	$47,619	$4,885	$52,504
LIABILITIES:			
Due to Other Governments	$174	$30	$204
Amounts Held for Others	47,445	4,855	52,300
Total Liabilities	$47,619	$4,885	$52,504
STATE EMPLOYEES DEFERRED COMPENSATION FUNDS:			
ASSETS:			
Cash and Short-Term Investments	$5	($5)	$ -
Investments	42,928	11,241	54,169
Total Assets	$42,933	$11,236	$54,169
LIABILITIES:			
Amounts Held for Others	$42,933	$11,236	$54,169
OTHER AGENCY FUNDS:			
ASSETS:			
Cash and Short-Term Investments	$42,507	$20,332	$62,839
Investments	74	(30)	44
Taxes Receivable, net	-	-	-
Other Receivables, net	3	8	11
Due From Other Governments	72	-	72
Due From Other Funds	304	(154)	150
Total Assets	$42,960	$20,156	$63,116
LIABILITIES:			
Due to Other Governments	$1	($1)	$ -
Due to Other Funds	2	44	46
Amounts Held for Others	42,957	20,113	63,070
Total Liabilities	$42,960	$20,156	$63,116

	BALANCE JULY 1	NET CHANGE	BALANCE JUNE 30
TOTALS - ALL AGENCY FUNDS:			
ASSETS:			
Cash and Short-Term Investments	$75,770	$16,984	$92,754
Investments	79,053	18,417	97,470
Taxes Receivable, net	26,540	186	26,726
Other Receivables, net	3	8	11
Due From Other Governments	72	-	72
Due From Other Funds	304	(154)	150
Total Assets	$181,742	$35,441	$217,183
LIABILITIES:			
Due to Other Governments	$40,348	$2,403	$42,751
Due to Other Funds	4,509	(857)	3,652
Amounts Held for Others	136,885	33,894	170,779
Total Liabilities	$181,742	$35,441	$217,183

GENERAL FIXED ASSETS
ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets acquired for general governmental purposes. These include all land, buildings, and equipment except those of the Enterprise, Internal Service, Trust and Agency, and College and University funds.

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND DEPARTMENT FOR THE YEAR ENDED JUNE 30, 1988 (Expressed in Thousands of $)

FUNCTION/Department	Land & Improvements	Buildings	Leasehold Improvements	Equipment	Construction in Progress	Other Fixed Assets	Totals
GENERAL GOVERNMENT:							
Administration	$2,865	$39,598	$ –	$8,594	$21,899	$ –	$72,956
Agriculture	1,244	3,231	–	1,983	882	–	7,339
Governor's Office	–	–	–	454	–	–	454
Legislature	–	–	–	1,232	–	90	1,322
Military Affairs	688	7,299	–	282	–	–	8,268
Personnel	–	–	–	293	–	–	293
Revenue	450	5,234	2	18,190	–	–	23,875
State	–	159	–	2,464	–	–	2,623
Treasury	–	–	–	104	–	–	104
	5,246	55,520	2	33,595	22,780	90	117,234
EDUCATION:							
Education	212	5,174	–	2,116	–	1,094	8,597
Higher Education	2,266	4,183	–	1,640	71	–	8,160
	2,478	9,357	–	3,757	71	1,094	16,757
BUSINESS, COMMUNITY & CONSUMER AFFAIRS:							
Labor and Employment	627	2,827	–	8,467	–	–	11,921
Local Affairs	–	901	–	1,355	–	–	2,255
Regulatory Agencies	–	–	–	1,432	–	–	1,432
	627	3,728	–	11,254	–	–	15,608
HEALTH AND REHABILITATION:							
Health	–	2,115	–	6,660	–	–	8,775
Institutions (excl. Youth Svcs.)	5,468	70,081	15	15,366	6,939	–	97,869
	5,468	72,196	15	22,026	6,939	–	106,644
JUSTICE:							
Corrections	6,434	87,275	–	10,926	8,554	–	113,189
Institutions (Youth Services)	75	5,792	–	2,003	16,636	–	24,506
Judicial	1,605	11,835	–	4,654	–	1,394	19,489
Law	–	–	–	143	–	–	143
Public Safety	65	1,464	–	20,648	–	–	22,177
	8,179	106,366	–	38,375	25,190	1,394	179,504
NATURAL RESOURCES:							
Natural Resources	81,427	17,234	6,676	18,786	15,334	7,761	147,218
SOCIAL ASSISTANCE:							
Social Services	8	142	736	8,230	–	–	9,116
TRANSPORTATION:							
Highways	2,265	25,380	–	484	–	–	28,129
TOTAL GENERAL FIXED ASSETS	$105,698	$289,922	$7,430	$136,507	$70,315	$10,339	$620,210

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND DEPARTMENT FOR THE YEAR ENDED JUNE 30, 1988 (Expressed in Thousands of $)

FUNCTION/Department	Balance July 1	Additions	Deletions	Balance June 30
GENERAL GOVERNMENT:				
Administration	$78,960	$4,412	$10,417	$72,956
Agriculture	7,261	213	135	7,339
Governor's Office	465	102	112	454
Legislature	1,222	552	453	1,322
Military Affairs	8,058	270	60	8,268
Personnel	293	–	–	293
Revenue	21,009	3,444	578	23,875
State	1,571	1,053	–	2,623
Treasury	65	39	–	104
	118,904	10,084	11,754	117,234
EDUCATION:				
Education	8,877	365	645	8,597
Higher Education	7,320	994	154	8,160
	16,197	1,359	799	16,757
BUSINESS, COMMUNITY & CONSUMER AFFAIRS:				
Labor and Employment	12,005	1,460	1,544	11,921
Local Affairs	1,077	1,285	106	2,255
Regulatory Agencies	1,392	67	26	1,432
	14,473	2,811	1,677	15,608
HEALTH AND REHABILITATION:				
Health	8,330	855	409	8,775
Institutions (excl. Youth Svcs.)	92,322	6,694	1,147	97,869
	100,652	7,549	1,557	106,644
JUSTICE:				
Corrections	104,037	9,603	451	113,189
Institutions (Youth Services)	13,258	11,289	41	24,506
Judicial	22,494	87	3,092	19,489
Law	143	–	–	143
Public Safety	18,239	4,303	365	22,177
	158,171	25,282	3,949	179,504
NATURAL RESOURCES:				
Natural Resources	148,664	28,161	29,606	147,218
SOCIAL ASSISTANCE:				
Social Services	8,344	1,032	259	9,116
TRANSPORTATION:				
Highways	26,666	1,658	195	28,129
TOTAL GENERAL FIXED ASSETS	$592,071	$77,936	$49,797	$620,210

STATISTICAL SECTION

REVENUES BY SOURCE
EXPENDITURES BY FUNCTION
AND OTHER FINANCING SOURCES (USES)
ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years

(Amounts in Millions)

	1987-88	1986-87	1985-86
REVENUES AND OTHER FINANCING SOURCES:			
Taxes	$2,778	$2,667	$2,490
Licenses, Permits, and Fines	154	146	128
Charges for Goods and Services	74	57	62
Interest and Rents	81	83	115
Federal Grants and Contracts	1,073	1,013	988
Other	141	91	82
Transfers-In	163	208	324
Total Revenues and Other Sources	**$4,464**	**$4,295**	**$4,189**
EXPENDITURES AND OTHER USES BY FUNCTION:			
General Government	$ 168	$ 155	167
Business, Community and Consumer Affairs	130	117	116
Education	33	42	34
Health and Rehabilitation	245	233	235
Justice	263	239	222
Natural Resources	70	67	58
Social Assistance	848	821	670
Transportation	400	406	408
Capital Outlay	118	119	99
Intergovernmental		1,462	1,426
Cities	80		
Counties	387		
School Districts	1,010		
Other	33		
Debt Service	3	3	3
Transfers-out:			
Higher Education	445	384	386
Other	127	175	285
Future Capital Lease Payments	1	37	
Total Expenditures and Other Uses	**$4,361**	**$4,260**	**$4,109**

1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79
$2,646	$2,485	$1,961	$1,847	$1,478	$1,414	$1,389
205	173	143	135	97	101	89
62	362	302	288	252	237	193
143	142	114	188	155	114	73
878	985	942	837	810	771	675
282	139	135	137	105	110	107
236	252	263	238	166	134	67
$4,452	**$4,538**	**$3,860**	**$3,670**	**$3,063**	**$2,881**	**$2,593**
$ 308	$ 226	$ 291	$ 234	$ 169	$ 160	$ 152
187	95	64	67	79	46	30
1,296	1,708	1,531	1,404	1,318	1,288	1,148
247	229	212	188	179	161	142
183	151	139	134	116	108	103
78	76	91	118	90	57	54
877	907	938	726	702	578	496
770	672	535	463	354	372	322
86	112	87	94	87		
2	21	15	14	14		
348						
204	183	217	217	165	74	30
$4,586	$4,380	$4,120	$3,659	$3,273	$2,844	$2,477

GENERAL FUND
GROSS GENERAL REVENUES
IN DOLLARS AND AS PERCENT OF TOTAL
Last Ten Fiscal Years

(Amounts in Millions)

	1987-88	1986-87	1985-86
Income Tax:			
Individual	$1,195	$1,320	$1,230
Corporate	113	159	139
Refunds		(261)	(271)
Net Income Tax	1,308	1,218	1,098
Sales, Use, and Excise Taxes	814	811	816
Inheritance and Gift Taxes	13	18	14
Other Taxes	88	93	88
Interest and Rents	6	11	21
Fiscal Emergency Fund			
Other	54	26	50
Total General Revenues	**$2,283**	**$2,177**	**$2,087**

(Amounts as Percent)

Net Income Tax	57.3%	55.9%	52.6%
Sales, Use, and Excise Taxes	35.7	37.3	39.1
Inheritance and Gift Taxes	0.6	.8	.7
Other Taxes	3.9	4.3	4.2
Interest and Rents	0.3	0.5	1.0
Fiscal Emergency Fund			
Other	2.2	1.2	2.4
Total General Revenues	**100.0%**	**100.0%**	**100.0%**

1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79
$1,201	$1,050	$ 956	$ 866	$ 757	$ 709	$ 623
136	141	110	126	107	131	116
(336)	(300)	(296)	(282)	(300)	(257)	(151)
1,001	891	770	710	564	583	588
819	770	664	681	605	601	577
14	11	9	12	7	26	24
72	65	60	57	50	48	44
34	5	8	35	38	54	27
	116	106				
25	31	24	22	53	43	41
$1,965	**$1,889**	**$1,641**	**$1,517**	**$1,317**	**$1,355**	**$1,301**
50.9%	47.2%	46.8%	46.7%	42.8%	43.0%	45.1%
41.7	40.8	40.5	44.9	46.0	44.4	44.4
0.7	0.6	0.5	0.8	0.5	1.9	1.8
3.7	3.4	3.7	3.8	3.8	3.5	3.4
1.7	0.3	0.5	2.3	2.9	4.0	2.1
	6.1	6.5				
1.3	1.6	1.5	1.5	4.0	3.2	3.2
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

EXPENDITURES BY DEPARTMENT
TOTAL OF ALL FUND TYPES
Last Three Fiscal Years

(Amounts in Thousands)

Department	1987-88	1986-87	1985-86
Legislature	$15,238	$13,948	$13,546
Judicial	100,411	92,476	89,517
Governor	29,876	25,633	25,935
Administration	56,430	61,135	56,132
Agriculture	12,096	10,998	11,445
Education	1,031,700	972,020	937,975
Health	112,193	94,053	80,758
Higher Education	1,429,895	1,357,202	1,255,714
Highways	476,121	469,235	457,687
Institutions	220,954	197,163	210,190
Labor & Employment	257,863	545,228	454,811
Law	11,878	14,261	16,637
Local Affairs	73,956	57,184	68,306
Military Affairs	3,303	2,974	2,693
Natural Resources	94,888	82,736	75,076
Personnel	3,575	3,197	3,196
Regulatory Agencies	29,576	27,430	23,177
Revenue	124,100	130,660	125,339
Social Services	927,323	838,860	719,547
State	4,088	3,978	2,398
Treasury	125,285	129,600	113,086
Corrections	96,950	99,961	87,041
Public Safety	57,259	54,412	42,226
Controller's Non-Operating	18,967	14,855	26,633
Unclassified by Department	29,630	30,515	55,088
Total	**$5,343,555**	**$5,329,714**	**$4,954,153**

EXPENDITURES BY DEPARTMENT
TOTAL OF ALL FUND TYPES
Last Three Fiscal Years

(As Percent of Total)

Department	1987-88	1986-87	1985-86
Legislature	0.3%	0.3%	0.3%
Judicial	1.9	1.7	1.8
Governor	0.6	0.5	0.5
Administration	1.1	1.1	1.1
Agriculture	0.2	0.2	0.2
Education	19.2	18.2	19.0
Health	2.1	1.8	1.6
Higher Education	26.8	25.4	25.4
Highways	8.8	8.8	9.2
Institutions	4.1	3.7	4.2
Labor & Employment	4.8	10.2	9.2
Law	0.2	0.3	0.3
Local Affairs	1.4	1.1	1.4
Military Affairs	0.1	0.1	0.1
Natural Resources	1.8	1.6	1.5
Personnel	0.1	0.1	0.1
Regulatory Agencies	0.6	0.5	0.5
Revenue	2.3	2.5	2.5
Social Services	17.3	15.6	14.5
State	0.1	0.1	0.0
Treasury	2.3	2.4	2.3
Corrections	1.8	1.9	1.8
Public Safety	1.1	1.0	0.9
Controller's Non-Operating	0.4	0.3	0.5
Unclassified by Department	0.6	0.6	1.1
Total	**100.0%**	**100.0%**	**100.0%**

REVENUE BOND COVERAGE
LAST EIGHT YEARS
(Amounts in Thousands)

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Services	Debt Service Requirements Principal	Interest	Total	Coverage
Higher Education Facilities							
1987-88	$123,254	$99,836	$23,418	$3,976	$8,574	$12,550	1.87
1986-87	115,429	93,857	21,572	5,247	7,827	13,074	1.65
1985-86	110,055	93,245	16,810	6,910	8,347	15,257	1.10
1984-85	105,289	88,302	16,987	3,934	6,472	10,406	1.63
1983-84	100,279	81,970	18,309	4,630	6,700	11,330	1.62
1982-83	96,529	77,154	19,375	4,746	7,104	11,850	1.64
1981-82	93,298	75,367	17,931	4,697	7,321	12,018	1.49
1980-81	89,324	73,270	16,054	4,443	7,668	12,111	1.33
Trinidad State Nursing Home							
1987-88	$3,832	$3,710	122	100	22	122	1.00
1986-87	3,174	3,053	121	95	26	121	1.00
1985-86	3,090	2,967	123	90	33	123	1.00
1984-85	2,900	2,776	124	85	39	124	1.00
1983-84	2,824	2,701	123	80	43	123	1.00
1982-83	2,579	2,462	117	75	42	117	1.00
1981-82	2,433	2,313	120	70	50	120	1.00
1980-81	2,239	2,120	119	70	49	119	1.00

COLORADO SALES AND ASSESSED PROPERTY VALUES
1978-1988
(Amounts in Billions)

Year	Retail Sales	Wholesale[1] Sales	Assessed Property Values
1988 (estimated)	$25.8	$16.1	(not available)
1987	24.5	15.9	33.3[2]
1986	24.3	15.2	19.2
1985	24.3	15.7	18.7
1984	23.0	14.9	17.9
1983	21.2	13.6	17.2
1982	19.5	13.3	15.7
1981	19.0	12.4	14.8
1980	16.7	11.7	13.7
1979	15.5	11.4	12.5
1978	13.2	9.5	11.6

[1]Includes only those sales reported on sales tax reports.
[2]1987 assessment based on 1985 values, previous years based on 1977 values.

Source: Colorado Dept. of Revenue, United Bank of Colorado, Colorado Business/Economic Committee.

VALUE OF TOTAL CONSTRUCTION IN COLORADO BY TYPE
1979-1988

(Amounts in Millions)

Year	Residential	Non-Residential	Non-Building	Total
1988 est.	$1,797.3	$1,200.0	$797.3	$3,794.6
1987 est.	1,634.1	937.4	724.8	3,296.3
1986	2,014.0	1,201.5	573.8	3,789.3
1985	2,180.2	1,726.1	760.5	4,666.8
1984	2,517.4	1,702.0	505.9	4,725.3
1983	2,597.2	1,566.3	593.5	4,757.0
1982	1,654.9	1,564.4	902.2	4,121.5
1981	1,478.9	1,884.0	1,019.8	4,382.7
1980	1,284.0	967.4	540.3	2,791.7
1979	1,760.0	959.8	459.4	3,179.2

Source: F.W. Dodge Company and Colorado Business/Economic Outlook Committee

COLORADO BANK DEPOSITS AND RESIDENTIAL HOUSING
1979-1987

Year	Residential Housing Permits (Thousands)	Bank Deposits (Millions)
1987	17.7	$26,023
1986	31.3	21,569
1985	34.0	21,047
1984	46.3	19,695
1983	50.9	18,199
1982	31.3	16,418
1981	29.5	14,659
1980	30.1	13,388
1979	42.3	12,338

Source: Colorado Department of Revenue and United Bank of Colorado

COLORADO DEMOGRAPHIC DATA
1979-1988

Year	Population (000)	% of U.S. Population	Per Capita Personal Income	Employment (000)	Unemployment %
1988	3,357 proj.	1.4%	$16,611	1,578 est.	6.8% est.
1987	3,296 proj.	1.4	15,862	1,558	7.7
1986	3,266	1.4	15,234	1,568	7.4
1985	3,234	1.3	14,708	1,618	5.9
1984	3,190	1.3	14,092	1,617	5.6
1983	3,148	1.3	13,198	1,558	6.7
1982	3,072	1.3	12,650	1,465	7.7
1981	2,984	1.3	11,865	1,450	5.2
1980	2,909	1.3	10,597	1,412	4.8
1979	2,851	1.3	9,451	1,355	4.8

Source: Colorado Department of Local Affairs and Colorado Business/Economic Outlook Committee

COLORADO EMPLOYMENT BY INDUSTRY
1983-1987

(Amounts in Thousands)

Industry*	1987	1986	1985	1984	1983
Agriculture	41.5	41.6	42.1	42.7	43.2
Mining	21.3	27.4	33.0	36.0	36.1
Construction	68.5	76.3	86.0	88.3	83.0
Manufacturing	184.2	185.3	193.0	192.3	180.7
Transportation, Communication, and Public Utilities	84.0	87.7	89.0	85.8	83.7
Trade	350.2	348.9	354.0	340.0	326.2
Finance, Insurance and Real Estate	98.8	97.6	98.0	93.3	87.0
Services	331.8	325.0	321.0	305.4	289.7
Government	261.5	254.0	249.0	243.8	240.7
Total	**1,441.8**	**1,443.8**	**1,465.1**	**1,427.6**	**1,370.3**

*Excludes nonagricultural self-employed, unpaid family, and domestic workers.

Source: Colorado Division of Employment and Colorado Business/Economic Outlook Committee.

MAJOR COLORADO EMPLOYERS
December 31, 1987

Employer	Number of Employees
Federal Government	49,300
State of Colorado - Non-Higher Education	26,000
U.S. West	16,600
Kroger	13,400
University of Colorado	11,800
Martin Marietta	11,400
Jefferson County Schools	10,600
Adolph Coors Company	9,000
Denver Public Schools	8,800
AT&T	8,600
Continental Airlines	8,500
Hewlett Packard Company	7,500
Safeway Stores	7,200
United Airlines	7,000
IBM	7,000
Colorado State University	6,700
Public Service Company of Colorado	6,300
Sears	5,600
Rockwell International	5,200

Source: Colorado Business Magazine, May 1988.